





## Values

### Speed

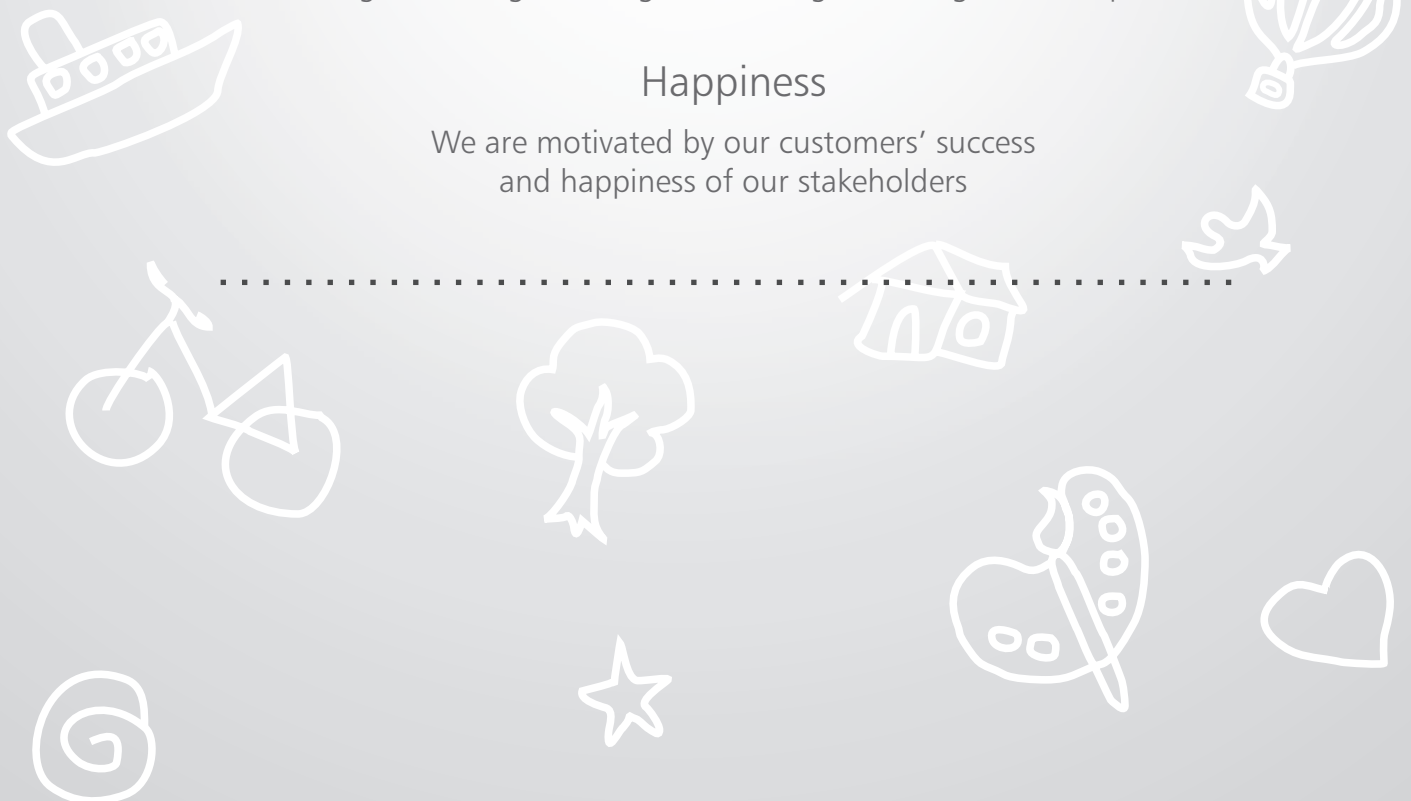
Proactive and swift action are our mantras

### Innovation

Our constant approach at all levels is to seek better ways of listening, thinking and doing - making our offerings meaningful and impactful

### Happiness

We are motivated by our customers' success and happiness of our stakeholders



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## Chairman's Letter

Dear Shareholders,

Recently sworn in new government under the able leadership of Honourable Prime Minister, Shri. Narendra Modi has raised a sense of aspiration and hope for India. His call to the nation for development with good governance has touched hearts and minds of millions of people worldwide. We at Bilcare, resonate the same and welcome this 'wind-of-change' of the new Government and leadership. With this new optimism, Bilcare is turning the headwinds and redefining its competitive advantage against a backdrop of volatile, uncertain, complex and ambiguous global environment where surprises are new normal. Rapid globalization and the resulting interdependence of financial markets, technology and economic systems have made this even more interesting.

Bilcare is realigning its business and financial model to constitute an optimal capital structure which will be beneficial to the organization with the emphasis being on the growth of the overseas subsidiaries becoming self sustaining and being able to give healthy returns of the investments.

Bilcare has built its own brand equity and created a legacy in pharma packaging

with state-of-the-art assets in Asia, Europe and US-akin to valued – infrastructure which shall stay to serve customers and care medicine at the core. Our research orientation and customer centric innovations has resulted in continual creation of valuable Intellectual Property, with over 198 patent applications worldwide and 48 granted patents in the form of novel products and services - reaching out to over 1,000 customers.

I am happy to share with you that Bilcare Research - is nominated to be featured in Admired 100 Brands & Leaders 2014, Asia Edition by VWP world brands, the world's largest multi format platform of branding.

Our customers are willing to extend their olive branch support in all possible ways as they understand and appreciate Bilcare business model and the firm's contribution to the Industry in protecting medicine and their brands.

Today, Bilcare has emerged as the global leader in solid dosage pharma packaging with approximately 25% market share and presence in more than 120 countries, making it second to none in this niche segment. Frost & Sullivan in its recent survey also echoes the same. Infact, based on its

findings, and in-depth best practise survey, Frost & Sullivan has bestowed Bilcare with Global Customer Service Leadership Award in solid dose formulation packaging .We are leaders in several markers which includes the BRICKS™ group (Brazil, Russia, India, China, Korea, South Africa, Turkey, Mexico) and the next league of growth drivers called CIVETS (Columbia, Indonesia, Vietnam, Egypt, Turkey, South Africa).

Bilcare Research AG is a global producer of speciality, rigid films and foils. Its manufacturing and product innovation activities of over 50 years is focused at providing customer centric solutions to the pharmaceutical sector, print and label industry which is globally regaining strength.

Bilcare GCS is well poised to capture this opportunity particularly with its — proven track record of handling global trial with USFDA and UKMHRA and India advantage of cost vis-à-vis service quality and qualified staff. Increased service quality, appropriate accreditations, global network of around 25 international depots has led to improvement of its top line.

During the year, Bilcare GCS acquired 16 new domestic and international customers, including a prestigious large scale vaccine clinical trial in South Korea.

Bilcare ncID™ technology has made inroads with various Government pilot projects, such as CSIR- New Millennium Indian Technology Leadership Initiative (NMITLI) program, National Jute Board on Secured Identification and Authentication of Jute Bales for Department of Supplies and Disposals (DGS&D ), Secured Fertilizer Supply Chain Control & Direct to Farmer Subsidy Management System

and Development of a unique gaming management system for addressing the serious counterfeit issues of Bn Dollar Poker Industry/games.

On the other side, global pharmaceuticals, like MSD, Biocon and Sandoz have signed up with us to authenticate and track & trace their products not only for their Indian sites but also globally at multiple sites/plants.

The Asian Institute of Technology (AIT) in Thailand has signed a long term partnership agreement with Bilcare Limited involving multiple aspects of nanotechnology cooperation, higher education and adaptation of the path-breaking innovation - nonClonableID™ Technology.

Bilcare nonClonableID™ Technology was conferred with the prestigious EMS - IEH 2013 Award for its valuable contribution in Patient Safety & Well Being by AIIMS, New Delhi & Oklahoma State University, USA.

Standalone revenue for the year ended 2014 stood at INR 394 Cr. as compared to INR 727 Cr. of last year ended, 2013, showing a decline of 46% due to lower sales arising out of working capital crunch.

Similarly, operating income, (EBIDTA) de-grew for the year 2014 at INR 57 Cr. as compared to INR 182 Cr. of 2013 due to reduction in turnover and increase in other expense.

Consolidated Revenue for the year 2014 stood at INR 3076 Cr. as compared to INR 3552 Cr. for the year 2013, a decline of 13 %. With the organizational restructuring envisaged this financial year, we hope to turnaround in Indian market in the ensuing years.



Our lenders repositioning of debt is in the process, and with support from all bankers, including an international 'European Bank', there is a clear sign of overseas business improvement.

The BRICS nation is emerging as next big economic power cluster surpassing west with creation of \$100 Bn bank with mini IMF/World Bank status. The Big Bang BRICS explosion is happening in all sectors, including pharmaceuticals, which is an opportunity for us.

The BRICS nations, with China in the lead followed by Brazil, Russia and India, are set to power growth in the global pharma market, along with countries such as Poland, Argentina, South Africa, Turkey and Vietnam. Growth in the pharmaceutical sector is expected to be 12 percent to 14 percent a year in those countries. This shift in pharmaceutical growth away from the established drivers to high-potential "pharmerging" markets, offers tremendous opportunities for pharmaceutical manufacturers that face mounting pressures in the mature markets.

Bilcare is not only looking to explore new markets with newer products and disruptive technologies but also ways to reach out through innovative and social media tools, thereby changing its Facebook towards customer and its approach. Our ncID™ technology business when scaled up and switched to a B2C model will be a game changer for the company and Industry. Company's overall research initiatives continue with 21 new patent filings this year and bagging consecutively National IP award from confederation of Indian Industries (CII).

Encouraged by customer confidence reposed in us, we are certain to resurrect, and regain strength, keeping pace with changing time!

I thank you all, shareholders, investors customers, bankers, regulators, vendors, partners and employees for your continued support and trust and hope to meet your expectations.

Regards,

A handwritten signature in black ink, appearing to read 'Mohan H. Bhandari', with a long horizontal line extending from the end of the signature.

Mohan H. Bhandari  
Chairman & Managing Director

# Corporate Information



## **Board of Directors**

Mr. Mohan H. Bhandari – Chairman and Managing Director

Dr. Praful R. Naik – Executive Director

Mr. Rajendra B. Tapadia

Mr. Pawan G. Chandak

Mr. Avinash S. Joshi

## **Company Secretary & CFO**

Mr. Anil Tikekar

## **Registered Office and Works**

1028, Shirol, Rajgurunagar,

Pune - 410 505, India.

CIN: L28939PN1987PLC043953

## **Auditors**

M/s. R. L. Rathi & Co., Pune

Firm Registration No. 108719W

## **Bankers**

Multiple Banking under the Security Trust Arrangement.

## **Registrar & Transfer Agents**

Link Intime India Pvt. Ltd.,

(Unit: Bilcare Limited)

Block No. 202, 2nd Floor,

Akshay Complex

Off Dhole Patil Road,

Pune – 411 001, India

Telefax: +91– 20 – 26163503

E-mail: pune@linkintime.co.in

# Management Discussion and Analysis



## Global Pharmaceutical Packaging Market Landscape

As per IMS, the global pharma market reported a strong growth of 6.4% to \$883.6bn from \$830.5bn due to good growth across geographies, higher healthcare allocations by the Governments, introduction of new products and change in the disease profile.

The US pharma market which forms ~39% of the global markets grew at 7.3% to \$342.7bn from \$319.4bn with the higher use of generics and increase in healthcare spending by the Obama Government.

Though both EU and Japanese markets reported a lower growth of 3.3% and 3.7% respectively, the APAC market grew by 9.7% to \$131.5bn from \$119.9bn. The pharma growth in China was 13.5% to \$70.5bn from \$62.1bn. The Brazilian market grew at 17.4% to \$21.6bn from \$18.4bn.

The Indian pharma market also reported strong growth of 9.9% to \$11.9bn from \$10.8bn despite the sharp reduction in prices of 348 drugs by NPPA in Sept'13.

**The global pharmaceutical packaging market will continue to grow at a CAGR of 8%** in the next five years, as projected by pharmaceutical packaging market report. Further, the market is expected to be fueled by off-patenting of drugs and expanding the

generics market. The global pharmaceutical industry is presently undergoing swift expansion, a lot of technology innovations and rapid advancements in manufacturing processes and integrations. These factors are foretelling growth of the pharmaceutical packaging industry globally. Due to increasing generic and contract manufacturing activities in Asian countries, specially India and China, the emerging geographies are expected to register maximum growth, and garner 25% of the market by 2018.

Development of new packaging solutions which provide product protection, quality, patient comfort and compliance, and security needs are expected to increase consumer consumption. This in turn is expected to drive the market for novel pharmaceutical packaging. In addition, increasing global drug counterfeit market and the subsequent development of anti-counterfeiting drug packaging technologies and products is expected to boost the demand for pharmaceutical packaging over the next few years. **Team Bilcare is excited to be a part of this new emerging global market.**

A recent study by the Freedonia Group supports the fact that pharma packaging systems will need to incorporate advanced functionalities to evolve in line with industry trends like the increasing use of biotechnology-based drugs, the importance of patient compliance and the need to crack down on the growing menace of counterfeit drugs.



Blister packaging has become a major platform to fight counterfeit drugs as it provides manufacturers the space to add extended labelling information. Blister packs can also be readily fitted with track and trace technologies, and thus the market for pharma blister packaging will expand as more companies use this technology to provide additional safety information and limit potential counterfeiting.

Thus pharma packaging providers will have to provide value added services to their clients. They will have to evolve into specialists, providing solutions to meet specific needs. Beyond that, pharma looks to packagers to improve bottom lines and brand distinction. Bilcare focus and forte in Blister packaging coupled with nclD enabled third generation nonclonable packaging along with existing 5 C offerings to the pharma sector worldwide for brand distinction and compliance oriented packaging will have clear advantage in the Industry.

## Opportunities

World demand for drug packaging products will increase 6.4 percent annually to \$90 billion in 2017. Most of the demand will remain in the developed economies of Canada, Japan, the US, and Western Europe.

Demand for packaging is projected to increase 3.8 percent annually to \$18.2 billion in 2015, according to a recent study conducted by The Freedonia Group.

Flexible packaging in Brazil, Russia, India and China (BRIC) is expected to grow. With shifting and change in regulation in US from bottle to blister packaging and increasing emphasis on track & trace of medical products across nations and Governments, along with serialization drive in Europe throws multitude of opportunities for companies in same.

Bilcare is well poised to capitalize on all such opportunities having moved ahead of the curve in innovation and counterfeit enabled packaging.

## Risk and Concern

### Input Cost

Given the volatility and rise of crude oil and polymer raw material cost, pressure on input cost for packaging players are going to fluctuate/rise, leading to passing of this cost to end customers.

### Forex Risk

A significant part of Bilcare's revenue, cost, assets and liabilities are denominated in foreign currency. However, Bilcare's presence across geographies helps in providing natural hedging by offsetting purchase and sales transaction amongst various currencies.

### Other Concerns

- Long working capital cycles leading to crunch in the cash flows
- High finance cost

### In addition pharmaceutical Industry may have to contend with issues

- Effects of new product patent
- Drug price control
- Regulatory reforms
- Quality issues
- DGFT policy change

## Packaging Innovation

The Primary Pharma Packing Industry represents a ~ 1.5% by value; i.e. a global Industry of ~ US \$ 19 Bn. The blister packaging segment is 35% by volume and 25% by value (the cheapest packaging option) – this is estimated at US \$ 6.3 bn. (includes both the top-films and the bottom-lid foils).

As per the IMS figures, approx 70% of the drugs globally are Orals and within orals approximate 70% drugs are oral solids.

(Balance being powders packed in sachets and liquids packed in bottles or unit dose laminates or traditional packing methods. Out of this 49% of Oral Solid Dosages (OSD), ~ 70% drugs are in blisters (and balance ~30% in aluminium strips / bottles / other forms). In this Global Market having 35% blisters, 40% are packed in mono PVC; 35% in barrier films (PVDC/Aclar); ~10% are packed in PP/Other base films and 15% in Cold form / Alu-Alu.

Today, Bilcare has emerged as global leader in solid dosage pharma packaging with approximately 25% market share and presence in more than 120 countries, making it second to none in this niche segment, which is also seconded by Frost & Sullivan in its recent survey. We are leaders in several markets which includes the BRICKS™ group (Brazil, Russia, India, China, Korea, South Africa, Turkey, Mexico) and the next league of growth drivers called CIVETS (Columbia, Indonesia, Vietnam, Egypt, Turkey, South Africa).

Bilcare packaging business such as - packaging films solutions (PFS) for FMCG and specialty films solutions (SFS) and card solutions are based out of Europe and US. BRAG which is this business along with pharma packaging and innovation has shown a quantum growth both in the top line and operating levels of Bilcare overseas business.

## Research Services

Bilcare steadfastly maintained its commitment, dedication and focus on significant investment of its time and resources in Research & Development activities to create innovative and novel products, processes and services. The primary objective was to strengthen the innovation pipeline and innovative offerings addressing unmet and newer challenges encountered by our customers. The activities also encompassed customized development on existing intellectual property to meet the specific needs and requirement of customers.

All new development activities were protected by encapsulating them with intellectual property rights in key / potential business regions across the world. The company has filed 21 new patents during the year, and 198 till date. It has also received consecutively - National IP ward this year from confederation of Indian Industries (CII).

Some of the key R&D activities in FY 2013 -14 includes:

- Bilcare successfully completed the development activities, trial run validations and started commercial production of the specialty cold formable blister (CFB) film on the newly commissioned state of the art multi-layer laminator. The R&D team successfully developed 'Bilcare Armour' for packaging of highly moisture sensitive formulations in a cost effective manner by replacing conventional high cost material used for packaging of highly moisture sensitive pharmaceutical formulations.
- Another key R&D activity was the successful development and commercialization of specialty triplex and duplex film laminates comprising PVC/EVOH/Aclar for Oxygen sensitive formulations as well as PVC/PE/Aclar, CPP/Aclar (Polyolefin base) and APET/Aclar (polyester base) for pharmaceutical applications as green (halogen-free) packaging alternatives.
- The R&D team accomplished a major achievement by successfully developing aluminum based film laminates for use in packaging of suppositories.
- With Aclar laminates having focused applications particularly in the USA market, the R&D team successfully developed an anti-counterfeit feature based Aclar laminate..
- Subsequent to commissioning of the multi-layer laminator, R&D team successfully developed innovative

laminate complexes comprising 2 ply, 3 ply and 4 ply structures.

- Based on the specific requirement of a customized film structure by a global confectionary product manufacturing customer for one of its famous brand - a special polyolefin based film was successfully developed.
- A novel Surlyn based composite film laminate was developed for formulations required to be packaged at low temperatures.
- Child resistant foil being one of the key requirement in developed nations, Bilcare R&D team embarked upon its development. After completing the development, the product is currently undergoing stability studies.
- Using the installed novel flexographic printing system, the R&D team successfully created a range of additional unique printed anti-counterfeit features for the existing product Bilcare Nova™.
- The development of incorporating image embedded security feature in colored and silver metalized film was initiated.
- Bilcare R&D earned a breakthrough in developing a light weight film laminate which can provide an excellent barrier for Nuclear Radiation. Defence Research Development Organization (DRDO) have taken the first prototype trial with this specialty film laminate.
- The R&D team used its patented BilcareOptima™ solution to identify and define customized packaging solution for two pharmaceutical brands. The BilcareOptima™ solution was also used for addressing the market complaint and feedback of a customer's brand, and help devise a new packaging solution. Further, the BilcareOptima™ solution was put to use in creation of packaging materials to prohibit adverse UV Impact. The R&D

team also developed an upgraded version of BilcareOptima™ solution to address specific market demands.

Bilcare will continue to focus on R&D initiatives in providing innovative packaging solutions and provide one stop shop for pharmaceuticals that includes various laminate and pouches with printing and non printing that meet their functional requirements apart from aluminum based as well as polymeric based high barrier films and provide various child resistance lid foils as well as senior friendly lid foils.

## Pharma Packaging Innovation - (PPI)

During the year, Bilcare made several material and printing based innovation on its films as well foils, such as aluminum based suppository laminate, printed PVdC for sensitive products brand identity, Bilcare Armour, Surlyn based composite films for temperature sensitive products, flexographic printing techniques for confectionary business on demand, Aluminum/PVC based CR foils approved by European Regulatory authority for pharmaceutical use, artimaster pilot project for energy saving upto 10%.

Bilcare printed Alpro Venus and Bilcare printed Alpro Zenith is developed and it is under final approval stage at one of our global customers. Similarly, conducted trials with various combination of Aclar based laminates, trials based on co-extrusion process to pack contraceptives for healthcare segment, effective anti-counterfeit feature for packaging of multivitamins, multiple anti-counterfeiting features in the form of Nano, Micro and 3D images in soft aluminum foil, Bilcare Protect® with a combination of overt and covert anti-counterfeiting features on the blister film as well as lidding foil, new Zenith series products and Child Resistant foils were some other innovations carried during the year.

## **Bilcare Research AG - (Packaging Business)**

Bilcare Research AG is a global producer of rigid films and foils. Its manufacturing and product innovation activities of over 50 years is focused at providing customer centric solutions to the print and label industry as well as the security and credit card customers globally. The company employs approximately 1,000 people and has sales of more than EUR 300 million. During the year, the business saw a surge in sales and profit.

## **Bilcare Global Clinical Services - (GCS)**

The US\$ 64 billion global clinical research industry is witnessing a transition since the life science companies are turning toward emerging markets in Asia and elsewhere to pursue clinical research due to increasing costs, declining productivity and rising drug development timelines, coupled with strategic advantages offered by these emerging markets.

Clinical Trial Material Supply and Service Industry — where Bilcare GCS operates is directly linked to burgeoning growth of Clinical Trial Industry both in India and elsewhere worldwide as west look towards east. Further, new technologies and the outsourcing of clinical trials to lower-cost countries, like India have slowed down annual expenditures in the U.S. Clinical Trial spending is expected to reach \$28.5 billion by 2014. Pharmaceutical and Biotechnology companies R&D spend is going to increase by 7% CAGR, and accordingly clinical trial is expected to see growth of 5.7%. This trend will certainly throw doors of opportunity to CTM companies based out of India and/ or other low cost countries.

During the year, Bilcare GCS acquired 16 new domestic and international customers, including a prestigious large scale vaccine clinical trial in South Korea. Storage, logistics and depot management are amongst high

growth service for the Co. In addition, acceleration in new drug introduction and the increase in use of parallel trials have lead to growth of comparator sourcing, an unique service proposition.

With drying of R&D pipeline of innovator Co. and in post Lipitor era with emergence of smaller molecule, sponsors are going to look for quality, speed-to-market and cost effectiveness to make their molecule commercially viable. Bilcare GCS with its state-of-the art facility in Pune, India, large network of depot worldwide and with international recent accreditations, like ISO 9001:2008 and PIC/s certification would be able to facilitate clinical trial materials (CTM) supply in the PIC/s region of 44 countries, including Japan and Korea with a decentralized strategy resulting to clear profit for its customers.

## **Bilcare Technology - ncID™**

Counterfeit trade globally is estimated to be over USD 500 billion. The global market potential for securitization technologies is ~ USD 25 – 30 billion. In India the securitization technologies market potential is over INR 2,000 Cr. By 2015, ICC expects the value of counterfeit goods globally to exceed \$1.7 trillion, translating to over 2% of the world's total current economic output. The global trade in counterfeit goods is booming, and it's shifting from relatively innocuous items like shoes and handbags to things like medicine and pesticides that can carry serious health and safety implications.

Bilcare devoted significant time and resources by doing application research on our path-breaking ncID™ technology platform to address this global menace and create novel solutions which had immense value for not only the pharmaceutical sectors but also in several key e-governance initiatives of our country. Successful completion of development projects in the ncID™ technology domain has resulted in significantly enhanced confidence levels of

pharma customers across the globe that now see Bilcare as a complete solution provider. This year, Bilcare scaled up track & trace cum authentication for primary, secondary and tertiary medical products packaging with Biocon and signed up MSD and Sandoz for their requirements in India and elsewhere.

Bilcare nonClonableID™ Technology- ncID™ was conferred with the prestigious EMS - IEH 2013 Award for its valuable contribution in Patient Safety & Well Being by AIIMS, New Delhi & Oklahoma State University, USA.

The development initiatives in ncID™ technology also has resulted in significant interests from the government sector for use of the ncID™ technology solution in addressing the key challenges in securitization of critical e-governance projects. Some important projects done are as mentioned below:

- The technology team is currently working on the prestigious project titled "Customized adaptation of nonClonableID™ technology to establish authenticity of medical products" awarded by the Council of Scientific and Industrial Research (CSIR) under its New Millennium Indian Technology Leadership Initiative (NMITLI), developed a customized, real-time, 'Anywhere-Anytime' authentication cum track & trace of Medical products cum Patient Compliance Management system modules and successfully completed the field testing using one anti-diabetic and one anti-tuberculosis drug on patients monitored by ten medical doctors and supported by technical interventional facilitators.
- Technology team in collaboration with Telecommunications Consultants India Limited (TCIL), successfully completed the pilot project "Secured Fertilizer Supply Chain Control & Direct to Farmer Subsidy Management System" for the Department of Fertilizers, Ministry of Chemicals and Fertilizers, Government of India and submitted the detailed project completion report to the department of Fertilizers for review and next steps on commercial implementation.
- Based on the successful completion of the pilot project awarded by the National Jute Board on Secured Identification and Authentication of Jute Bales for Department of Supplies and Disposals (DGS&D), Bilcare technology team provided requisite technical details along with the customized development activity on IT application system using nonClonableID™ technology to TCIL which in turn submitted a detailed techno-commercial proposal to DGS&D for review and approval for commercial implementation of nonClonableID™ technology for establishing a secured Jute Bale management system.
- Technology team successfully completed the development of the customized Duty planning management system for integration with the currently used nonClonableID™ Identity cards for Delhi Police based on the technical specifications provided.
- Development of a unique gaming management system for addressing the serious issues in gaming sector with particular emphasis on Poker games which has significant issues of fraud as well as counterfeit poker chips was initiated.

## Highlights of Financials

### Standalone

India Standalone Revenue for the fourth quarter ended, March 31, 2014 (Q4 FY14) stood at INR 103.92 Cr. as compared to INR 95.24 Cr. of third quarter ended December 31, 2013 (Q3 FY14), showing an improvement by 9.11 %.

Standalone operating income (EBIDTA) for the quarter ended Q4 FY14 grew by

43.20 % at INR 21.68 Cr. as compared to INR 15.14 Cr. of the previous quarter, Q3FY14. Net loss at INR 26.50 Cr. reduced from 29.66 Cr. of the previous quarter, thus showing some improvement.

Standalone revenue for the year ended 2014 stood at INR 394 Cr. as compared to INR 727 Cr. of previous year ended, 2013, showing a decline of 46% due to lower sales arising out of working capital crunch leading to lower EBIDTA levels at INR 57 Cr.

### **Consolidated**

Consolidated Revenue for Q4FY14 reduced to INR 737.96 Cr. as compared to INR 783.13 Cr. of Q3FY14. Consolidated EBIDTA for the Q4FY14 stood at INR 93.27 Cr. as against INR 50.19 Cr. of Q3FY14, showing an improvement by 86%.

Consolidated Revenue for the year 2014 stood at INR 3076 Cr. as compared to INR 3552 Cr. of the previous year, 2013, a decline of 13 %, leading to lower EBIDTA of INR 257 Cr.

### **Internal controls Systems and Adequacy**

Company has proper and adequate internal control systems to ensure that its assets are safeguarded and that transactions are properly authorized, reported and recorded. The Company has also a system of internal audit and management reviews to ensure compliance with the prescribed procedures and authority levels.

### **Cautionary Statements**

Statements in this management discussion and analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual outcome may differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include

significant change in political and economic environment in India or key markets abroad, applicable statutes, litigations, labour relations, exchange rate fluctuation and interest and other costs.

### **Unity in diversity- Human Resource**

Bilcare employs around 2000 employees and a talent pool spread across different geographies; with a diverse workforce coming from US, Europe, Singapore and India making it truly a multi dimensional and cultural organization with a quest of passion and innovation which unites all in 'Team Bilcare'. During the year, the company initiated several initiatives towards employee health, safety and women empowerment along with implementation of HR tools, like Balance Score Card to improve productivity.

### **Economy, Societal and Environmental Value – Corporate Citizen**

Our community support endeavors are diverse and focused on building robust, collaborative relationships in the social and business communities in areas we operate while augmenting our own understanding of the people and places we serve leading to sustainable approach to community supports that benefits everyone. The focus during the year was environment, with several green activities conducted along with supporting neighbouring village schools through 'window to the world' program; a long term CSR initiative of Bilcare.



# Corporate Governance



## Company's philosophy on Code of Governance

Bilcare Limited is committed to implement the Corporate Governance norms specified in Clause 49 of the Listing Agreement. The Company has grown substantially in last few years, with global expansion, where systems are being developed and improved continuously to commensurate with the ongoing growth.

## Board of Directors

The Board of Directors of Bilcare Limited comprises of Four Directors, one being the Chairman and Managing Director, who is a Promoter Director, an Executive Director and Two Non- Executive Independent Directors. Both the Non- Executive Directors are persons of eminence and bring a wide range of expertise and experience to the Board.

## Board of Directors and Attendance at Board Meetings and AGM

Name of the Director	Category	Particulars of Attendance		No. of Directorships and Committee Memberships / Chairmanships in Public Limited Companies		
		Board Meetings	Last AGM	Directorships	Committee Memberships	Committee Chairmanships
Promoter Executive Director						
Mr. Mohan H. Bhandari	Chairman and Managing Director	8	Present	3	4	2
Non-Promoter Executive Directors						
Dr. Praful R. Naik	Executive Director	8	Present	2	3	—
Independent Directors						
Dr. Kalyani Gandhi*	Director	—	—	—	2	-
Dr. Arthur J Carty **	Director	—	—	—		
Dr. Volker Huelck #	Director	—	—	—		
Dr. R. V. Chaudhari ##	Director	—	—	—		
Mr. Rajendra Tapadia	Director	8	Present	4	4	2
Mr. Pawan G. Chandak###	Director	1	—			

\* Resigned as Director w.e.f. 5 April 2013

\*\* Resigned as Director w.e.f. 31 July 2013

# Resigned as Director w.e.f. 21 September 2013

## Resigned as Director w.e.f. 28 September 2013

### Appointed as additional Director w.e.f. 31 December 2013

## Number of Board Meetings

The Board met Eight times during the year. The Meetings were on 5 April, 28 May, 30 July, 14 August, 30 September, 14 November, 31 December 2013 and 14 February 2014. All the meetings were held in such manner that the gap between two consecutive meetings was not more than four months.

## Directors' Attendance Record and Directorships

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year 2013-14 and the last Annual General Meeting (AGM) held on 30 September 2013 and the number of Directorships and Committee Chairmanships/ Memberships held by them in other public companies as on 31 March 2014, are given in the previous table.

## Appointment and Re-appointment of Directors\*

Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges, following information is furnished about the Directors proposed to be appointed/ re-appointed at the ensuing Annual General Meeting:

### Dr. Praful R. Naik [DIN 00133420]

Dr. Praful R. Naik holds a Ph.D. in Pharmaceuticals from the Institute of Technology, Banaras Hindu University. He represents the Indian pharmaceutical industry on the International Medical Products Anti – Counterfeiting Taskforce of WHO.

Dr. Naik is an Executive Director of the Company w.e.f. 28 June 2004 and leads the core research initiatives at Bilcare and is also the Company's Chief Scientific Officer. An expert in medicines and their formulations, he has over 24 years of experience in pharmaceutical science including his prior association with pharmaceutical companies like Johnson & Johnson, and Smithkline Beecham.

\* Addendum to Report

Other Directorship	Committee Membership
Name of the Company	Name of Committee
B A Technologies Limited	<b>Bilcare Limited</b> Stakeholders Relationship Committee - Member Finance Committee - Member Share Transfer Committee - Member

Dr. Naik is not related to any of the directors of the Company. He holds 25,000 Equity Shares of ₹10/- each of the Company as on 31 March 2014.

### Mr. Rajendra B. Tapadia [DIN 00508894]

Mr. Rajendra Tapadia holds a degree in Chemistry from Pune University and a postgraduate diploma in Business Management. He provides support to Bilcare on process and product technology. He is an eminent industrialist with over three decades of experience in the industry.

Other Directorship	Committee Membership
Name of the Company	Name of Committee
Safepack Industries Limited	<b>Bilcare Limited</b> Audit Committee - Chairman
Safe Packaging Private Limited	Stakeholders Relationship Committee - Chairman
Safepropack Limited	Finance Committee - Member
Touchmagix Media Private Limited	Share Transfer Committee - Member
Art Blends Limited	Nomination and Remuneration Committee - Chairman

Mr. Tapadia is not related to any of the directors of the Company. He holds 271,051 Equity Shares of ₹.10/- each of the Company as on 31 March 2014.

### Mr. Pawan G. Chandak [DIN 01690131]

Mr. Pawan G Chandak is a Commerce graduate with post graduation in Labour Laws and Labour Welfare from University of Pune and Fellow Member of Institute of Company Secretaries of India, New Delhi. He is a Partner of the Company Secretaries Firm, M/s KPRC & Associates, Company Secretaries, Pune.

He has a rich experience of around 10 years in the field of Corporate and allied Laws. He was the Chairman of the Pune Chapter of WIRC of ICSI for the year 2012 & active contributor to the ICSI's activities.

He is well exposed in handling corporate legal matters and dealing with various regulatory authorities.

Other Directorship	Committee Membership
Name of the Company	Name of Committee
CACS Tax And Legal Solutions Private Limited	<b>Bilcare Limited</b> Audit Committee - Member Nomination and Remuneration Committee - Member

Mr. Chandak is not related to any of the directors of the Company. He does not hold any Equity Shares of the Company as on 31 March 2014.

### Mr. Avinash S. Joshi [DIN: 05320116]

Mr. Avinash S. Joshi is an Electronics Engineer with a postgraduate diploma in Business Management. He provides support to Bilcare on process and product technology. He has a rich experience of around three decades in the industry.

Other Directorship	Committee Membership
Name of the Company	Name of Committee
BB Paper Recycling Company Private Limited	<b>Bilcare Limited</b> Nomination and Remuneration Committee - Member

Mr. Joshi is not related to any of the directors of the Company. He does not hold any Equity Shares of the Company as on 31 March 2014.

## Board Procedure

### Information supplied to the Board

Amongst others, the information supplied to the Board includes:

- Quarterly results of the Company
- Minutes of meetings of the Board of Directors, Audit Committee and other Committees

- Any joint venture or collaboration proposals
- Significant development in human resources and the industrial relations front
- Transfer of material nature of assets, which is not in the normal course of business
- The Board of Bilcare Limited is presented with the agenda papers well in advance of the meeting.

## Code of Conduct

The Board of Bilcare has laid down a code of conduct for all Board members and Senior Management of the Company. All Board members and Senior Management personnel have affirmed compliance with the Code of Conduct. A declaration to this effect signed by Managing Director / Chief Executive Officer is given in this Annual Report.

## Committees of the Board

### Audit Committee

The Audit Committee of the Company comprises of three Directors, viz. Mr. Rajendra B. Tapadia (Chairman of the Committee), Mr. Pawan G. Chandak and Mr. Mohan H. Bhandari, two-thirds of the which are independent directors. The terms of reference stipulated by the Board are as contained under Clause 49 of the Listing Agreement. Mr. Anil Tikekar, Company Secretary, is the Secretary to the Committee.

### Terms of reference

The terms of reference of the Committee, inter alia covers all the matters specified under Clause 49 of the Listing Agreement with the Stock Exchange as well as those specified in Section 292 (A) of the Companies Act, 1956. Besides, in additions to other terms as may be referred by the Board of Directors, the Audit Committee has the power inter alia, to investigate any activity within its terms of reference and to seek information from any employee of the Company and seek legal and professional advice.

The Committee met three times, on 28 May, 14 August 2013 and 14 February 2014.

## Attendance Record of Audit Committee Members for 2013-14

Name of the Director	Category	Status	No. of Meetings	
			Held	Attended
Mr. Rajendra B. Tapadia	Independent	Chairman	3	5
Dr. Volker Huelck*	Independent	Member	2	—
Dr. R. V. Chaudhari**	Independent	Member	2	2
Mr. Mohan H. Bhandari	Non Independent	Member	1	1
Mr. Pawan G. Chandak***	Independent	Member	1	1

\* Resigned w.e.f. 21 September, 2013

\*\* Resigned w.e.f. 28 September, 2013

\*\*\* Appointed w.e.f. 31 December 2013

## Stakeholders Relationship Committee

The 'Stakeholders Relationship Committee' was constituted by the Board on May 30, 2014 after re-naming the 'Shareholder's/ Investor's Grievances Committee'. The Committee of the Company comprises of three Directors, viz. Mr. Rajendra B. Tapadia (Chairman of the Committee), Mr. Mohan H. Bhandari and Dr. Praful Naik. Mr. Anil Tikekar, Company Secretary is the Compliance Officer. Composition and the terms of reference meet with the requirements under the provisions of Section 178(5) of the Companies Act, 2013 and of Clause 49 of the Listing Agreement.

No meeting of the Committee was held as no complaint was received from the shareholders or investors during the financial year 2013-14. No requests for dematerialization and/or transfer were pending for approval as on 31 March 2014.

## Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted by the Board on August 14, 2014. The Committee of the Company comprises of three Directors, viz. Mr. Rajendra B. Tapadia (Chairman of the Committee), Mr. Pawan G. Chandak and Mr. Avinash S. Joshi. The Committee's constitution and terms of reference are in compliance with provisions of the Companies Act, 2013, Clause 49 of the Listing Agreement as amended from time to time.

No remuneration is payable to the Executive Directors during the year 2013-14.

The Non-executive Directors are paid sitting fees for attending each meeting of the Board and of the Committees thereof as specified by the Board.

During the year in review, there was no meeting of Nomination and Remuneration Committee.

## Non-executive directors' compensation

The non-executive directors of the Company were paid following sitting fees for meetings of the Board and its Committee thereof :

Name of Non-Executive Director	Sitting Fees# (in ₹)
Mr. Rajendra Tapadia	250,000/-
Dr. R.V. Chaudhari	20,000/-
Mr. Pawan G. Chandak	30,000/-

# Sitting fees include payment for board level committee meetings.

## Remuneration of Directors

The aggregate value of salary and perquisites for the year ended 31 March 2014 to the Wholetime Directors is as follows:

Mr. Mohan H. Bhandari - Nil

Dr. Praful R. Naik - Nil

## Management

### Management Discussion and Analysis

This Annual Report has a detailed chapter on management discussion and analysis.

## Disclosures

### Disclosures by the Management to the Board

All disclosures relating to financial and commercial transactions where Directors may have a potential interest are provided to the Board and the interested Directors do not participate in the discussion nor do they vote on such matters.

### Disclosure of Accounting Treatment in Preparation of Financial Statements

The Company has not followed any differential treatment from the prescribed accounting standards, for preparation of financial statements during the year.

### Code for Prevention of Insider-Trading Practices

In compliance with the SEBI regulation on prevention of insider trading, the Company has instituted a comprehensive code of

conduct for its management staff. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of company, and cautioning them of the consequences of violations.

## Whistle Blower Policy

The Board on May 30, 2014 has formulated a Whistle Blower Policy for directors and employees of the Company. The policy comprehensively provides an opportunity for an employee/ Director to report the instances of unethical behavior, actual or suspected fraud or any violation of the Code of Conduct and / or laws applicable to the Company and seek redressal. The policy provides for a mechanism to report such concerns to the Audit Committee through specified channels. The policy has been communicated to the employees and also posted on Company's intranet. The Whistle Blower Policy complies with the requirements of Vigil mechanism as stipulated under Section 177 of the Companies Act, 2013. The details of establishment of Whistle Blower Policy/ Vigil Mechanism have been disclosed on website of the Company- [www.bilcare.com](http://www.bilcare.com).

## Other Material Disclosures and Compliance

### Related Party Transactions:

Please refer to Note No. 40 of Notes to Accounts for significant related party transactions.

None of the transactions with any of the related parties were in conflict with the interests of the Company.

## Shares and Convertibles held by Non Executive Directors as on 31 March 2014

Name of the Director	Category	Number of shares held Equity Shares of ₹10/- each
Mr. Pawan G. Chandak	Independent	Nil
Mr. Rajendra Tapadia	Independent	271,051

## Statutory compliance, Penalties and Strictures

The Company has complied with all the requirements of regulatory authorities. No penalties/strictures were imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority on any matter related to capital market during the last three years. The Managing Director (CEO) and the Chief Financial Officer (CFO) have certified to the Board in accordance with Clause 49 (V) of the Listing Agreement pertaining to CEO/CFO Certification for the Financial Year ended 31 March 2014.

## Compliance with Mandatory and Non-Mandatory Requirements

The Company is fully compliant with the applicable mandatory requirements of the Clause 49. It has not adopted any non-mandatory requirements.

## Means of Communication

The Company puts forth vital information about the company and its performance, including quarterly results, official news releases, and communication to investors and analysts, on its website: [www.bilcare.com](http://www.bilcare.com) regularly for the benefit of the public at large. The quarterly results are published in 'Business Standard', and 'Loksatta'.

## General Shareholder Information

### Company Registration Details

The Company is registered in the State of Maharashtra, India. The Corporate Identity

Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L28939PN1987PLC043953

## Annual General Meeting

Date : 30 September 2014  
Time : 11.00 a.m  
Venue : Registered Office of the Company  
1028, Shirol, Rajgurunagar,  
Pune – 410 505, India

## Financial Calendar

1 April to 31 March

For the year ended 31 March 2014, results were announced on –

- 14 August 2013 : First Quarter
- 14 November 2013 : Half yearly
- 14 February 2014 : Third Quarter
- 30 May 2014 : Fourth Quarter and Annual

## Book Closure

The books will be closed from 26 September 2014 to 30 September 2014.

## Postal Ballot

No resolution was passed through Postal Ballot during the year 2013-14.

At present, no special resolution is proposed to be passed through postal ballot. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a Special Resolution conducted through Postal Ballot.

## General Body Meetings

Location and time for the last Three Annual General Meetings were:

Financial Year	Venue	Date	Time
2010-11	Registered Office of the Company	23 September 2011	11.00 a.m.
2011-12	Registered Office of the Company	29 September 2012	11.00 a.m.
2012-13	Registered Office of the Company	30 September 2013	11.00 a.m.



## Share Holding Pattern

The tables below give the pattern of shareholding by ownership and share class respectively.

## Registrar and Transfer Agents and Share Transfer and Demat System

The Board's Share Transfer Committee generally meets twice a month for dealing with matters concerning securities/share transfers of the Company. The Company has appointed Link Intime India Pvt. Ltd. as the Registrar and Transfer Agents of the Company, to carry out the share transfer Agents of the Company, to carry out the share transfer work on behalf of the Company.

## Address of the Registrar and Transfer Agent

Link Intime India Pvt. Ltd.,  
(Unit: Bilcare Limited)  
Block No. 202, 2nd Floor, Akshay Complex  
Off Dhole Patil Road. Pune – 411 001, India  
Telefax : 020 – 26163503  
E-mail : [pune@linkintime.co.in](mailto:pune@linkintime.co.in)

## Listing

The Equity shares of Bilcare Limited are listed on Bombay Stock Exchange Limited.

## Stock Code

BSE : 526853

## Pattern of shareholding by ownership as on 31 March 2014

Category	Number of Shares held	Shareholding %
Promoters	7,678,611	32.61
Mutual Funds	226,042	0.96
Foreign Institutional Investors	10,000	0.04
Corporate Bodies (India+ Foreign)	2,657,499	11.29
Non Resident Indians	643,258	2.73
Indian Public	10,220,013	43.41
Shares held by Custodians, against which Depository Receipts have been issued	2,109,808	8.96
Total	23,545,231	100.00

## Pattern of shareholding by Share Class as on 31 March 2014

Shareholding Class	Number of Shareholders	Number of Shares	Shareholding %
Up to 500	19,700	2,003,201	8.51
501 - 1,000	1,047	827,664	3.52
1,001 - 2,000	500	744,772	3.16
2,001 - 3,000	221	568,630	2.42
3,001 - 4,000	87	313,748	1.33
4,001 - 5,000	66	307,647	1.31
5,001 - 10,000	119	878,756	3.73
10,001 & above	106	17,900,813	76.03
Total:	21,846	23,545,231	100.00

## Stock Data

Table below gives the monthly high and low prices and performance of Bilcare Limited in comparison to BSE Sensex at Bombay Stock Exchange Limited, Mumbai (BSE) for the year 2013-14.

Month	Share Price		BSE Sensex	
	High (₹)	Low (₹)	High	Low
April-13	114.85	70.00	19,623	18,144
May-13	79.20	65.60	20,444	19,451
Jun-13	65.60	43.75	19,860	18,467
Jul-13	53.50	37.00	20,351	19,127
Aug-13	52.75	36.40	19,569	17,449
Sep-13	49.00	41.10	20,740	18,166
Oct-13	47.50	40.45	21,205	19,265
Nov-13	62.05	42.00	21,322	20,138
Dec-13	47.75	36.55	21,484	20,569
Jan-14	56.15	44.20	21,410	20,344
Feb-14	50.00	42.00	21,141	19,963
Mar-14	50.40	41.60	22,467	20,921

## Dematerialization

The equity shares of Bilcare Limited are under compulsory demat trading. As on 31 March 2014, dematerialized shares accounted for 99.25% of the total equity.

Demat ISIN numbers in NSDL & CDSL for Equity Shares: INE986A01012.

## Liquidity

Bilcare Limited shares are part of the 'B' group on Bombay Stock Exchange Limited

## Outstanding GDRs and likely impact on Equity

The Company on 12 January 2010, allotted 2,986,341 GDRs at USD11.15 per GDR (i.e. ₹. 515 per share at the exchange rate of ₹. 46.20 per USD), each GDR representing one equity share of ₹.10 each in the share capital of the Company. As on 31 March 2014, 2,109,808 GDRs were outstanding, and represented an equal number of underlying equity shares. The Paid-up Share Capital of the Company stood at ₹. 235,452,310/- divided into 23,545,231 Equity Shares of ₹.10/- each.

## Plant Location

1028, Shirol, Rajgurunagar, Pune 410 505, India

## Investor Correspondence Address

For transfer / dematerialisation of shares and any other query relating to the shares of the Company:

Link Intime India Pvt. Ltd.,  
(Unit: Bilcare Limited)  
Block No. 202, 2nd Floor, Akshay Complex  
Off Dhole Patil Road,  
Pune – 411 001, India  
Telefax : +91 20 26163503  
E-mail : pune@linkintime.co.in

## Deposit holders Correspondence Address

For any query relating to Fixed Deposit :

## Company Address

Bilcare Limited  
18, D G Chambers, 1st Floor,  
100-104 Nagindas Master Road,  
Near BSE, Fort, Mumbai 400 001  
Phone +91 22 6531 2999

## Registrar's Address

Kisu Corporate Services Pvt. Ltd.  
186, Khetwadi Main Road,  
1st Floor, Near Pitale Maruti Mandir  
Mumbai – 400 004  
Phone +91 22 23810486/23886255

## DECLARATION ON COMPLIANCE WITH THE CODE OF CONDUCT

I, Mohan H. Bhandari, Managing Director & CEO of Bilcare Limited hereby declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct, as applicable to them, for the year ended 31st March, 2014.

Pune : 30 May 2014

**Mohan H. Bhandari**  
Managing Director & CEO

## TO THE MEMBERS OF BILCARE LIMITED

### CERTIFICATE BY THE AUDITORS ON CORPORATE GOVERNANCE

We have examined the compliance of the conditions of corporate governance by Bilcare Limited, for the year ended 31 March 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor to the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For R.L. Rathi & Co.  
Firm Registration No. 108719W  
Chartered Accountants

**R. L. Rathi**  
Proprietor  
Membership No. 14739  
Pune : 30 May 2014

## TO THE BOARD OF DIRECTORS OF BILCARE LIMITED

### CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE COMPANY

We, the undersigned, in our respective capacities as Chairman and Managing Director and Chief Financial Officer, of Bilcare Limited, ("the Company") to the best of our knowledge and belief certify that:

- a) We have reviewed financial statements and the cash flow statement for 2013-14 and that to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2013-14 which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
  - i) Significant changes in internal control over financial reporting during the year;
  - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) Instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Anil Tikekar**  
Chief Financial Officer  
Pune: 30 May 2014

**Mohan Bhandari**  
Chairman and Managing Director

# Director's Report



## To the Members,

We are pleased to present the report on our business and operations for the financial year ended 31 March 2014.

## Financials

The Company's Standalone revenue for the year FY 2014 stood at ₹ 394.47 Crores as against ₹ 726.64 Crores of FY 2013. The decline is mainly due to working capital shortage which resulted in a loss of execution of the sales orders in hand.

₹ in Crore

	2013-14	2012-13
Sales and Other Income	394.47	726.64
Profit / (Loss) before tax	(157.35)	37.74
Profit / (Loss) after tax	(121.46)	6.58
Balance in profit & loss account	201.95	323.41

Being a Company having its major operations & revenues stream overseas, the debt raised in India to support these operations, was at a disadvantage both in terms of the interest rates as well as the tenure. This resulted in a stress situation for the cash flows of India standalone. The Company has already initiated the process of realigning the entire structure to ensure optimum utilization of resources as well as capital reorganization.

## Dividend

In absence of profits, your Directors are unable to recommend Dividend for the financial year ended 31 March 2014.

## Fixed Deposit

Fixed deposits received from the shareholders and the public as on 31 March 2014 stood at ₹ 16,568.27 Lacs.

As on 31 March 2014, the Company has no overdue deposits other than the unclaimed deposits of ₹ 11.64 Lacs.

## Consolidated Financial Statements

The Consolidated Financial Statements, pursuant to clause 32 of the Listing Agreement and in accordance with the Accounting Standard AS-21 on Consolidated Financial Statements and AS-27 on Financial Reporting of Interest in Joint Ventures are provided in the Annual Report.

These consolidated financial statements provide financial information about the Company and its subsidiaries as a single economic entity and form part of this Annual Report. For the year ended 31 March 2014, the consolidated revenue stood at ₹ 3,075.65 Crores against ₹ 3,551.61 Crores of previous year.



## Subsidiary Companies

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The Annual Accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies. The Company has five subsidiary companies, namely Bilcare Singapore Pte. Ltd., Singapore, Bilcare Mauritius Ltd., Mauritius, Bilcare International (formerly Nazilla Limited), Mauritius, Bilcare Packaging Limited, Mauritius and B A Technologies Limited, India. Some of these subsidiaries in turn have their respective step down subsidiaries.

## Research & Development

Bilcare steadfastly maintained its commitment, dedication and focus on significant investment of its time and resources in Research & Development activities to create innovative and novel products, processes and services. The primary objective was to strengthen the innovation pipeline and innovative offerings addressing unmet and newer challenges encountered by our customers. The activities also encompassed customized development on existing intellectual property to meet the specific needs and requirement of customers. All new development activities were protected by encapsulating them with intellectual property rights in key / potential business regions across the world.

## Future plan of action

With securitization and governance becoming the key requirement in all sectors, Bilcare plans to strengthen the new approach of collaborating with sector / region specific technical partners / associates in order to enhance the ability of its products, processes, services and technologies reach to a wider pool of sectors / regions. Bilcare will also continue to invest time and resources in all the R&D activities initiated to enable accomplish commercialization of these initiatives and generate newer revenue streams. Bilcare will also continue to focus on R&D initiatives in providing innovative packaging solutions for ensuring that Bilcare sustains its leadership position and recognition as the one stop shop for pharmaceutical segment which provides for all aspects of packaging need

Expenditure on R & D	₹ in Crores
Capital	—
Recurring	7.93
Total	7.93
R & D Expenditure as a percentage of Total Turnover	2.01%

On a consolidated basis, total R&D expenditure as a percentage of consolidated turnover is 0.64%.

## Conservation of Energy and Technology

The quest for savings in electrical cost which is one of the key components in the cost of the product has not stopped. The never tiring team has once again contributed in maintaining the power factor to unity. This consistent effort has contributed to a saving of ₹ 0.37cr per annum on the annual electrical bill value in the year 2013-14.

As mentioned in the previous report we had initiated the use of FO instead of LDO and achieved a savings of ₹ 0.28 cr from Sept 2013 to March 2014. Due to financial

constraints the project Regenerative Thermal oxidizer (RTO) is postponed to financial year 2014-15.

In the financial year 2014-15,

1. It is proposed to upgrade the heating system of the foils coating station. This will result in a savings of ₹ 0.25 cr per annum.
2. It is proposed to refine and recycle the used solvent which will help us in procuring lesser quantity of fresh solvent. This project will help us to save ₹ 0.12 cr per annum.

## Technology Absorption, Adaptation and Innovation

Bilcare's commitment of continued significant investments on R&D activities has helped in sustaining the continuity of its innovation pipeline with successful addition of newer products, processes services and technologies to its innovation portfolio.

During the financial year, the company filed 21 Patent applications related to its innovative products and technologies and were granted 2 Patents.

The company has also continued its focus on ensuring a sizeable portion of its innovation activities on Technology absorption and adaptation which has led to significant improvement in the processes and manufacturing operations related to existing products which in turn has resulted in better earnings on innovative products and remaining competitive in generic products.

## Foreign Exchange Earnings & Outgo

₹ in Crore

Foreign exchange earned	87.60
Foreign exchange outgo	131.74

## Directors

Dr. Praful Naik, Executive Director is retiring by rotation and being eligible offer himself for re-appointment.

Pursuant to Sections 149 and 152 of the Companies Act, 2013 and in terms of Clause 49 of the Listing Agreement, the Board of Directors has, at its meeting held on 30 May 2014, appointed the existing Independent Directors Mr. Rajendra Tapadia and Mr. Pawan G. Chandak as Independent Directors for a term of 5 consecutive years with effect from the date of ensuing Annual General Meeting, subject to approval of shareholders. The requisite resolutions for approval of their appointment as Independent Directors, are being proposed in the notice of the ensuing Annual General Meeting for the approval of the members.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, the information on the particulars of Directors proposed for appointment/re-appointment has been given in the Report on Corporate Governance.

## Directors' Responsibility Statement

Pursuant to the requirement under the Section 217(2AA) of the Companies Act, 1956, with respect to the Directors' Responsibility Statement, it is hereby confirmed that :

1. In the preparation of the annual accounts for the year ended 31 March 2014, the applicable accounting standards have

been followed and there are no material departures from the same.

2. The Directors have selected such accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2013-14 and of the loss of the Company for the year ended on that date.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The accounts for the financial year ended 31 March 2014 have been prepared on a 'going concern' basis.

## Corporate Governance

A report on Corporate Governance is given in this Annual Report.

## Auditors

M/s. R. L. Rathi & Co., Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment. The Company has received a letter from them to the effect that their reappointment, if made, would be within the prescribed limits under Section 139 of The Companies Act 2013 and the conditions prescribed read with the Rule 4 of Companies (Audit and Auditors) Rules, 2014 and that they are eligible for such appointment.

The observations and comments given by the Statutory Auditors in their report read together with notes thereon are self-

explanatory and hence, do not call for any further comments under Section 217 of the Companies Act, 1956.

## Cost Auditors

The Cost Audit Report under The Companies (Cost Audit Report) Rules, 2011 for the year 2012-13 was duly filed with the Ministry of Corporate Affairs on 27 September 2013.

The Central Government had approved appointment of M/s. Parkhi Limaye & Co., Cost Accountants as Cost Auditors of the Company under Section 233B of the Companies Act, 1956 for the year 2013-14.

## Statutory Disclosures

As required under the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Amendment Rules, 2011 as amended, the names and other particulars of the employees are set out in the Annexure to the Directors' Report. However, in terms of the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and the Accounts is being sent to all Shareholders of the Company excluding the aforesaid Annexure. Any Shareholder interested in obtaining a copy of said Annexure may write to the Company Secretary at the Registered Office of the Company. The statement is also available for inspection at the Registered Office, during working hours upto the date of the Annual General meeting.

Particulars regarding technology absorption, conservation of energy and foreign exchange earning and outgo required under section 217 (1) (e) of the Companies Act, 1956 and Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 have been given in the preceding paras.

For the FY 2014, the compliance report is provided in the Corporate Governance section of this Annual Report. The Auditors'

Certificate on compliance with the mandatory recommendations of the committee is annexed to this report.

## Acknowledgement

We thank our domestic and international customers, vendors, investors, banking community, investment bankers, rating agencies and stock exchanges for their continued support during the year.

We place on record our appreciation of the contribution made by the employees at all levels worldwide. Our consistent growth was made possible by their hard work, solidarity, commitment and unstinted efforts.

We thank the Governments of various countries where we have our operations and also thank Government of India and other government agencies for their positive co-operation and look forward to their continued support in future. Finally, we wish to express our gratitude to the members and shareholders for their trust and support.

For and on behalf of the Board of Directors

Mohan H. Bhandari  
Chairman and Managing Director

Place: Pune  
Date : 30 May 2014

# AUDITOR'S REPORT

To,  
The Members of  
Bilcare Limited

## Report on the Financial Statements

We have audited the attached Balance Sheet of **Bilcare Limited** as on 31 March 2014, the Statement of Profit and Loss and the Cash Flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") read with the general circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, and the separate reports of the branch auditors, the aforesaid financial statements read with the notes give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as on 31 March, 2014;
- (b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## Other Matter

We did not audit the financial statements of company branch, whose financial statements reflect total assets of ₹. 9,763.02 lacs as at 31 March 2014 and total revenues of ₹.11, 850.00 lacs for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

## Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books. The Branch Auditors reports have been forwarded to us and have been appropriately dealt with;
  - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the audited report from the branch;
  - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in section 211(3C) of the Act to the extent applicable;
  - e. On the basis of the written representations received from the directors as on 31 March 2014, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act.
  - f. Since the Central government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Act, nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For R. L. RATHI & CO.  
Firm Registration No. 108719W  
Chartered Accountants

Place: Pune  
Date: 30 May 2014

R. L. RATHI  
Proprietor  
Membership No. 14739

## **Annexure referred to in paragraph 1 under the heading “Report on other legal and regulatory requirements” of our report of even date**

1.
  - (a) The Company has maintained proper records to show full particulars, including quantitative details and situation of all fixed assets.
  - (b) All the fixed assets have not been physically verified by management during the year but there is regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
  - (c) During the year the Company has not disposed off a substantial part of fixed assets.
2.
  - (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) The Company is maintaining proper records of inventory. Discrepancies noted on physical verification of inventories were not material and have properly been dealt with in the books of account.
3.
  - (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly the provisions of clause 4(iii)(a) to (d) of the Order are not applicable to the Company and hence not commented upon.
  - (b) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly the provisions of clause 4(iii)(a) to (d) of the Order are not applicable to the Company and hence not commented upon.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of audit, we have not observed major weakness or continuing failure to correct any major weakness in the internal control system to the Company in respect of these areas.
5.
  - (a) According to the information and explanations provided by the management, we are of the opinion that particulars of contracts or arrangements referred to in section 301 of the Act, that need to be entered into the register maintained under section 301 have been entered.
  - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements and exceeding the value of ₹. 500,000 have been entered during the financial year at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. In respect of deposits accepted, in our opinion and according to the information and explanation given to us, directives issued by the Reserve Bank of India and the provisions of sections 58A, 58AA or any other provisions of the Act and the rules framed there under, to the extent applicable, have been complied with. We are informed by the management that the order passed by Company Law Board dated 18.09.2013 has been complied with.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government under section 209(1)(d) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
9.
  - (a) The company has been generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues, except that there are delays in payment of TDS & Provident Fund. As on 31.03.2014 no statutory dues are outstanding for more than six months
  - (b) According to the records of the company, there are NIL dues outstanding of income tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess on account of any dispute.
10. The company has no accumulated losses at the end of the financial year. However, it has incurred cash losses of ₹. 5,365.09 lacs in the current year.



11. Based on the audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has defaulted in repayment of dues to the financial institutions and banks. The delays have been summarized below indicating the principal amount, interest amount and period.

Particulars	Principal (₹. Cr.)	Interest (₹. Cr.)	Delay in months
Loan from Banks	490.19	86.33	6 – 17 months

The Company is in negotiations with the respective banks for restructuring of the said dues.

12. According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order (as amended) are not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order (as amended) are not applicable to the Company.
15. According to the information and explanations given to us, the Company has given guarantee for loans taken by others from banks or financial institutions are, prima facie, not prejudicial to the interest of the Company.
16. Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
18. The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money through public issue during the year.
21. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For R. L. RATHI & CO.  
Firm Registration No. 108719W  
Chartered Accountants

Place: Pune  
Date: 30 May 2014

R. L. RATHI  
Proprietor  
Membership No. 14739

## BALANCE SHEET AS ON 31 MARCH 2014

	Notes	As on 31 March 2014 ₹. Lacs	As on 31 March 2013 ₹. Lacs
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUND</b>			
Share capital	2	2,354.52	2,354.52
Reserves & surplus	3	83,123.48	94,446.09
		85,478.00	96,800.61
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities (net)	4	10,255.02	11,748.51
Long-term borrowings	5	100,875.02	115,545.85
Long-term provisions	6	62.02	127.25
		111,192.06	127,421.61
<b>CURRENT LIABILITIES</b>			
Trade payables		3,124.18	7,073.11
Short-term borrowings	7	21,918.09	22,547.31
Other current liabilities	8	40,090.91	15,025.04
Short-term provisions	9	1,823.09	(173.70)
		66,956.27	44,471.76
TOTAL		263,626.33	268,693.98
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets			
Tangible assets	10	122,821.63	60,092.00
Intangible assets	11	2,655.78	3,575.16
Capital work in progress		18,160.69	78,513.42
		143,638.10	142,180.58
Non-current investments	12	68,313.14	69,436.69
Long-term loans and advances	13	474.03	524.32
Other non-current assets	14	4,960.99	5,450.97
		217,386.26	217,592.56
<b>CURRENT ASSETS</b>			
Inventories	15	11,398.97	13,872.53
Trade receivables	16	10,477.11	10,142.12
Cash and cash equivalents	17	2,552.74	3,240.41
Short-term loans and advances	18	21,811.25	23,846.36
		46,240.07	51,101.42
TOTAL		263,626.33	268,693.98
Summary of Significant Accounting Policies	1		

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

**R. L. Rathi & Co.**

Firm Registration No.108719W

Chartered Accountants

For and on behalf of Board of Directors

**R. L. Rathi**

Proprietor

Membership No.14739

**Mohan H. Bhandari**

Managing Director

**Dr. Praful R. Naik**

Executive Director

Place : Pune

Date : 30 May 2014

**Anil Tikekar**

Company Secretary

# STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2014

	Notes	Year ended 31 March 2014 ₹. Lacs	Year ended 31 March 2013 ₹. Lacs
<b>INCOME</b>			
Revenue from operations	19	40,135.20	72,743.04
Other income	20	(687.88)	(78.55)
Total revenue (i)		39,447.32	72,664.49
<b>EXPENDITURE</b>			
Cost of materials consumed	21	26,409.10	47,778.17
Changes in inventories of finished goods, work-in-progress and stock in trade	22	813.57	(322.70)
Employee benefits expense	23	1,929.16	2,637.00
Other expenses	24	4,545.91	4,348.71
Total expenses (ii)		33,697.74	54,441.18
Profit before interest, depreciation and tax (EBIDTA) (i-ii)		5,749.58	18,223.31
Finance costs	25	14,703.82	10,249.44
Depreciation and amortisation expense	26	6,780.62	4,199.53
Profit / (Loss) before tax		(15,734.86)	3,774.34
Tax expense	27	134.97	494.70
Profit / (Loss) from continuing operations		(15,869.83)	3,279.64
Prior Period Expenses		24.63	309.36
Exceptional Items		(3,748.75)	—
Extraordinary Items		—	2,312.46
Profit / (Loss) after tax carried to Balance Sheet		(12,145.71)	657.82
Earnings per share of ₹. 10/- each: (computed on basis of continuing operation)	28		
Basic (₹.)		(51.58)	2.79
Diluted (₹.)		(51.58)	2.79
Summary of Significant Accounting Policies	1		

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

**R. L. Rathi & Co.**

Firm Registration No.108719W

Chartered Accountants

For and on behalf of Board of Directors

**R. L. Rathi**

Proprietor

Membership No.14739

**Mohan H. Bhandari**

Managing Director

**Dr. Praful R. Naik**

Executive Director

Place : Pune

Date : 30 May 2014

**Anil Tikekar**

Company Secretary

## CASH FLOW FOR THE YEAR ENDED 31 MARCH 2014

	Year ended 31 March 2014 ₹. Lacs	Year ended 31 March 2013 ₹. Lacs
<b>A Cash flow from Operating Activities</b>		
Profit after tax	(12,145.71)	657.82
Adjustments For:		
Depreciation	6,780.62	4,199.53
Interest / Dividend (net)	14,446.37	9,612.65
(Profit) / Loss on sale of fixed assets	0.67	31.70
Foreign Currency Monetary Items Translation Difference Account	823.10	658.86
Operating profit before Working Capital changes	9,905.05	15,160.56
Deferred Tax Liability	(1,493.49)	494.70
Adjustments for:		
Trade & other receivables	2,240.39	4,158.95
Inventories	2,473.56	(959.71)
Trade payables	13,088.82	6,179.65
Cash generated from operations	26,214.33	25,034.15
Interest paid	(6,273.10)	(8,341.69)
Direct taxes paid	1,528.98	(2,341.90)
Net cash from operating activities	21,470.21	14,350.56
<b>B Cash flow from Investing Activities</b>		
Purchase of fixed assets	(8,240.21)	(85,596.15)
Sale of fixed assets	1.38	3.32
Investments	1,123.55	(1,501.49)
Interest received	207.93	335.46
Dividend received	49.52	301.33
Net cash used in investing activities	(6,857.83)	(86,457.53)
<b>C Cash flow from Financing Activities</b>		
Proceeds from term borrowings	7,811.31	81,055.35
Repayment of term borrowings	(23,111.36)	(7,859.27)
Dividend paid including tax	–	(547.30)
Net cash used in financing activities	(15,300.05)	72,648.78
Net increase in cash & cash equivalents (A+B+C)	(687.67)	541.81
Cash and cash equivalents as on 01.04.2013	3,240.41	2,698.60
Cash and cash equivalents as on 31.03.2014	2,552.74	3,240.41

As per our report of even date

For and on behalf of Board of Directors

**R. L. Rathi & Co.**

Firm Registration No.108719W

Chartered Accountants

**R. L. Rathi**

Proprietor

Membership No.14739

**Mohan H. Bhandari**

Managing Director

**Dr. Praful R. Naik**

Executive Director

Place : Pune

Date : 30 May 2014

**Anil Tikekar**

Company Secretary

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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### NOTE - 1

#### SIGNIFICANT ACCOUNTING POLICIES

i) Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared this financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

ii) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

iii) Fixed assets

- a. Tangible fixed assets: Tangible fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price net of discounts and rebates, borrowing costs and directly attributable costs of bringing the asset to its working condition for the intended use. The company adjusts exchange differences arising on translation/ settlement of long term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset. Trial run income and expenses are directly capitalized to the respective assets.
- b. Research and development costs: Research costs are expensed as incurred. Development expenditure incurred resulting into enduring benefits are capitalized.
- c. Depreciation on tangible fixed assets: Depreciation is calculated on a straight line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed by Schedule XIV to the Companies Act, 1956, whichever is higher. In respects of assets added / disposed off during the year, depreciation has been calculated on pro-rata basis with reference to the number of days in use.
- d. Intangible assets: Intangible assets acquired are measured on initial recognition at cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized over their estimated economic life.

iv) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments. On initial recognition, all investments are measured at cost.

v) Impairment of assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units' (CGU) net selling price and its value in use. Where the carrying amount of an asset or the CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognized in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken into revaluation reserve. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date whether there is any indication that previously recognized impairment losses may no longer exists or may have decreased. If such indication exists, the company estimates the asset's or CGU's recoverable amount.

vi) Inventories

Raw Materials, components, stores and spares, work-in-progress and finished goods are valued at lower of cost and net realizable value and is determined on FIFO basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated costs necessary to make the sale.

vii) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Sale of goods: Revenue from sale of goods is recognized based on billed and dispatch of goods to the customer. Sales are net of discounts, sales tax, excise duty and sales returns.

Income from services: Revenues from services are recognized pro-rata over the period as and when services are rendered net of taxes.

Interest: Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

Dividend: Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

viii) Duties and taxes

Sales tax: The Company opted for the Sales Tax Incentives by way of deferral under Government of Maharashtra Package Scheme of Incentive 1993. The period for deferment of tax liability is 10 years and payable thereafter in five equal annual installments.

Excise duty: Excise duty is accounted for on sale of goods. No provision is made for goods manufactured and lying in factory premises.

ix) Retirement and other employee benefits

Provident fund: Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The company has no obligation, other than contribution payable to the provident fund.

Gratuity: The costs of providing gratuity are determined on the basis of actuarial valuation at each year end and actuarial gains / losses are recognized in full in the period in which they occur in the statement of profit and loss. Separate actuarial valuation is carried out for each plan using the projected unit credit method.

Accumulated leave: The Company presents the entire accumulated leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

x) Borrowing costs

Borrowing cost includes interest, amortization of ancillary cost incurred in connection with the arrangement of borrowings and exchange differences arising out of foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction, modernization and expansion or production of an asset are capitalized as part of the cost of the respective asset.

xi) Income taxes

Current tax: Current income tax is measured at the amount expected to be paid in accordance with the Income Tax Act, 1961 and the tax laws prevailing in the respective tax jurisdiction and the tax rates used to compute the amount are those that are enacted at the reporting date.

Deferred tax: Deferred tax reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years and is measured using the tax rates and tax laws enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities, if they relate to the same taxable entity and the same taxation authority.

xii) Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

xiii) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The company does not recognize a contingent liability but discloses its existence in the financial statements.

xiv) Measurement of EBIDTA

As permitted by the Guidance Note on the Revised Schedule VI of the Companies Act, 1956, the company has elected to present earnings before interest, tax, depreciation and amortization (EBIDTA) as a separate line item on the face of the statement of profit and loss.

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

	As on 31 March 2014 ₹. Lacs	As on 31 March 2013 ₹. Lacs
<b>NOTE - 2</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
i) 40,000,000 (31 March 2013 : 40,000,000) Equity Shares of ₹. 10/- each	4,000.00	4,000.00
ii) 5,000,000 (31 March 2013 : 5,000,000) Preference Shares of ₹. 10/- each	500.00	500.00
	<u>4,500.00</u>	<u>4,500.00</u>
<b>ISSUED SUBSCRIBED AND PAID UP</b>		
i) 23,545,231 (31 March 2013 : 23,545,231) Equity Shares of ₹. 10/- each	2,354.52	2,354.52
<b>TOTAL</b>	<u>2,354.52</u>	<u>2,354.52</u>
<b>a. Reconciliation of the shares outstanding (No. of shares)</b>		
At the beginning of the period	23,545,231	23,545,231
Add / (Less) : Movement during the year	—	—
At the end of the period	23,545,231	23,545,231

**b. Terms / rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹. 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2014, the amount of per share dividend recognized as distributions to equity shareholders was ₹.NIL (31 March 2013 : ₹. NIL).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c. Details of Shareholders holding more than 5% shares in the Company**

	No. of Shares	% Holding in the Class	No. of Shares	% Holding in the Class
Equity shares of ₹. 10/- each fully paid				
i. Mohan H. Bhandari	6,253,489	26.56	6,253,489	26.56
ii. Deutsche Bank Trust Company Americas (Custodian of shares against GDR's issued)	2,109,808	8.96	2,109,808	8.96
iii. Monument Pte. Ltd.	1,761,620	7.48	1,761,620	7.48
iv. Rakesh R. Jhunjhunwala	1,735,425	7.37	1,735,425	7.37
v. Nutan M. Bhandari	1,425,122	6.05	1,425,122	6.05



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

	As on 31 March 2014		As on 31 March 2013	
	₹. Lacs	₹. Lacs	₹. Lacs	₹. Lacs
<b>NOTE - 3</b>				
<b>RESERVES &amp; SURPLUS</b>				
i) Securities Premium		51,034.41		51,034.41
ii) General Reserve				
Balance as per last Financial Statement	11,622.47		11,622.47	
Add: Transfer from Statement of Profit and Loss	—		—	
Add: Transfer from Debenture Redemption Reserve	—		—	
		11,622.47		11,622.47
iii) Capital Redemption Reserve		271.63		271.63
iv) Foreign Currency Monetary Items Translation Difference Account				
Balance as per last Financial Statement	(823.10)		(1,481.96)	
Add: Additions during the year	—		—	
Less: charged to Profit and Loss Account	823.10		658.86	
		—		(823.10)
v) Surplus in the Statement of Profit and Loss				
Balance as per last Financial Statement	32,340.68		31,682.86	
Add: Net Profit for the year	(12,145.71)		657.82	
Less: Transfer to General Reserve	—		—	
Transfer to Debenture Redemption Reserve	—		—	
Proposed Dividend	—		—	
Tax on Dividend	—		—	
		20,194.97		32,340.68
TOTAL		83,123.48		94,446.09
<b>NOTE - 4</b>				
<b>DEFERRED TAX LIABILITIES (NET)</b>				
Deferred Tax Liabilities				
— Related to Fixed Assets		14,255.63		11,748.51
Deferred Tax Assets				
— Related to Business Loss		(4,000.61)		—
		10,255.02		11,748.51

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

	As on 31 March 2014		As on 31 March 2013	
	₹. Lacs	₹. Lacs	₹. Lacs	₹. Lacs
<b>NOTE - 5</b>				
<b>LONG-TERM BORROWINGS</b>				
i) Secured Loans:				
Term loan from banks		93,893.36		103,756.94
ii) Unsecured Loans:				
Deferred sales tax loans	1,088.20		1,165.76	
Term Loan from Banks	5,000.00		9,818.19	
Others	893.46		804.96	
		6,981.66		11,788.91
<b>TOTAL</b>		<b>100,875.02</b>		<b>115,545.85</b>

- The rupee term loan from banks / financial institutions carries interest @ 12% to 15% p.a.
- The foreign currency loan from banks carries interest @ LIBOR plus 4% to 6%.
- Term loans to banks / financial institutions are repayable within a period from 3 to 5 years in quarterly / half yearly installments as per terms of the respective loans. (as per Annexure A to Notes to Financial Statements)
- Term loan from banks / financial institutions are secured by first charge on the immovable and movable properties and second charge on current assets, both present and future, under security trustee arrangement.
- Deferred sales tax loan is interest free and is repayable in yearly installments till 2023.
- The other unsecured loan carries interest @ 3 % p.a. and repayable in 10 annual equal installments starting from 2014.

## NOTE - 6

### LONG-TERM PROVISIONS

Provisions for employee benefits	62.02	127.25
<b>TOTAL</b>	<b>62.02</b>	<b>127.25</b>

## NOTE - 7

### SHORT-TERM BORROWINGS

i) Secured:				
Working capital loan from banks	4,849.82		5,676.77	
		4,849.82		5,676.77
ii) Unsecured:				
Fixed deposits from public	16,568.27		16,370.54	
Loans and advances from related parties	500.00		500.00	
		17,068.27		16,870.54
<b>TOTAL</b>		<b>21,918.09</b>		<b>22,547.31</b>

- The Working capital facilities from banks carries interest rate from 12% to 15% p.a.
- The working capital facilities are secured by first charge on current assets and second charge on immovable and movable properties, both present and future, under security trustee arrangement.
- Fixed deposits from public carries interest @ 11% to 12% p.a.

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

	As on 31 March 2014 ₹. Lacs	As on 31 March 2013 ₹. Lacs
<b>NOTE - 8</b>		
<b>OTHER CURRENT LIABILITIES</b>		
i) LC Acceptances	9,218.56	13,585.11
ii) Interest accrued but not due on borrowings [Refer Note - 29(iii)]	10,342.45	1,911.73
iii) Withholding tax payable	207.84	102.00
iv) Unclaimed Dividend*	15.83	19.67
v) Advance - Others	20,306.23	(593.47)
<b>TOTAL</b>	<b>40,090.91</b>	<b>15,025.04</b>

\* This figure does not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund.

## NOTE - 9

### SHORT-TERM PROVISIONS

i) Provision for taxes on income	(176.70)	(1,705.68)
ii) Provision for employee benefits	54.97	45.01
iii) Other short term provisions	1,944.82	1,486.97
<b>TOTAL</b>	<b>1,823.09</b>	<b>(173.70)</b>

## NOTE - 10

### TANGIBLE ASSETS

Sr. No.	Items of Asset	Gross Block at Cost or Book Value				Depreciation				Net Block	
		As on 01/04/2013	Additions during the year	Deductions during the year	As on 31/03/2014	As on 01/04/2013	For the year	Deductions during the year	As on 31/03/2014	As on 31/03/2014	As on 31/03/2013
01	Land	227.20	—	—	227.20	—	—	—	—	227.20	227.20
02	Building	5,691.11	—	—	5,691.11	1,330.10	190.13	—	1,520.23	4,170.88	4,361.01
03	Plant & Machinery	67,263.44	1.43	3.08	67,261.79	13,530.22	3,456.34	1.03	16,985.53	50,276.26	53,733.22
04	Vehicles	170.21	—	—	170.21	102.60	21.05	—	123.65	46.56	67.61
05	Electric Fitting	1,700.85	—	—	1,700.85	599.02	78.47	—	677.49	1,023.36	1,101.83
06	Furniture & Fixture	711.85	2.77	—	714.62	323.32	47.07	—	370.39	344.23	388.53
07	Office Equipments	875.55	20.31	—	895.86	662.95	125.34	—	788.29	107.57	212.60
08	Tools & Equipments	—	68,536.70	—	68,536.70	—	1,911.13	—	1,911.13	66,625.57	—
	<b>TOTAL</b>	<b>76,640.21</b>	<b>68,561.21</b>	<b>3.08</b>	<b>145,198.34</b>	<b>16,548.21</b>	<b>5,829.53</b>	<b>1.03</b>	<b>22,376.71</b>	<b>122,821.63</b>	<b>60,092.00</b>
	Previous Year	66,914.52	9,792.13	66.44	76,640.21	13,148.50	3,431.12	31.41	16,548.21	60,092.00	53,766.02

## NOTE - 11

### INTANGIBLE ASSETS

Sr. No.	Items of Asset	Gross Block at Cost or Book Value				Depreciation				Net Block	
		As on 01/04/2013	Additions during the year	Deductions during the year	As on 31/03/2014	As on 01/04/2013	For the year	Deductions during the year	As on 31/03/2014	As on 31/03/2014	As on 31/03/2013
01	Patent and Trademarks	2,772.57	30.52	—	2,803.09	871.81	271.83	—	1,143.64	1,659.45	1,900.76
02	Other Intangible Assets	4,214.06	1.19	—	4,215.25	2,539.66	679.26	—	3,218.92	996.33	1,674.40
	<b>TOTAL</b>	<b>6,986.63</b>	<b>31.71</b>	<b>—</b>	<b>7,018.34</b>	<b>3,411.47</b>	<b>951.09</b>	<b>—</b>	<b>4,362.56</b>	<b>2,655.78</b>	<b>3,575.16</b>
	Previous Year	6,344.77	641.86	—	6,986.63	2,643.06	768.41	—	3,411.47	3,575.16	3,701.71

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

	As on 31 March 2014		As on 31 March 2013	
	₹. Lacs	₹. Lacs	₹. Lacs	₹. Lacs
<b>NOTE - 12</b>				
<b>NON-CURRENT INVESTMENTS</b>				
Unquoted Equity Instruments				
i) Investment in subsidiaries				
Bilcare Singapore Pte Ltd. 173.35 million (31 March 2013: 173.35 million) Equity Shares of SGD 1 each fully paid-up	52,972.30		52,972.30	
Bilcare Mauritius Limited 27,255 (31 March 2013: 27,255) Equity Shares of USD 1,000 each fully paid-up	15,238.11		12,628.56	
Bilcare International 1 (31 March 2013: 1) Equity shares of USD 1 each fully paid-up	70.63		70.63	
Bilcare Packaging Limited 50 (31 March 2013 : NIL) Equity shares of USD 1,000 each fully paid-up	31.10		—	
		68,312.14		65,671.49
ii) Investment in joint venture				
NIL (31 March 2013 : 50%) share in International Labs LLC, USA	—		3,757.26	
NIL (31 March 2013 : 1%) share in Bilcare Research SRL	—		3.47	
NIL (31 March 2013 : 1%) share in Bilcare Fucine SRL	—		3.47	
		—		3,764.20
iii) Other non-current investments :				
Equity Shares:				
Cosmos Bank	1.00		1.00	
		1.00		1.00
TOTAL		68,313.14		69,436.69
<b>NOTE - 13</b>				
<b>LONG-TERM LOANS AND ADVANCES</b>				
Unsecured, considered good				
Security deposits		474.03		524.32
TOTAL		474.03		524.32
<b>NOTE - 14</b>				
<b>OTHER NON-CURRENT ASSETS</b>				
Deposits with government authorities		4,960.99		5,450.97
TOTAL		4,960.99		5,450.97

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

	As on 31 March 2014		As on 31 March 2013	
	₹. Lacs	₹. Lacs	₹. Lacs	₹. Lacs
<b>NOTE - 15</b>				
<b>INVENTORIES</b>				
(valued at lower of cost and net realizable value)				
i) Raw material		9,990.08		11,676.99
ii) Work-in-progress		879.34		1,564.21
iii) Finished goods		384.59		513.29
iv) Stores & spares, consumables		144.96		118.04
TOTAL		<u>11,398.97</u>		<u>13,872.53</u>
<b>NOTE - 16</b>				
<b>TRADE RECEIVABLES</b>				
Secured, considered good				
i) Outstanding for more than six months from due date	1.70		7.53	
ii) Others	<u>160.33</u>		<u>229.10</u>	
		162.03		236.63
Unsecured, considered good				
i) Outstanding for more than six months from due date	1,399.58		1,004.68	
ii) Others	<u>8,915.50</u>		<u>8,900.81</u>	
		10,315.08		9,905.49
TOTAL		<u>10,477.11</u>		<u>10,142.12</u>
a) Trade receivable due from directors and officers of the Company - NIL				
<b>NOTE - 17</b>				
<b>CASH AND CASH EQUIVALENTS</b>				
i) Cash on Hand		3.40		26.89
ii) Deposits with Bank				
On current account	764.08		514.09	
On term deposit account	<u>1,785.26</u>		<u>2,699.43</u>	
		2,549.34		3,213.52
TOTAL		<u>2,552.74</u>		<u>3,240.41</u>
a) Term deposits with bank include earmarked deposits ₹. 1,643.50 lacs (31 March 2013: ₹. 2,296.87 lacs) as margin money for letter of credits, guarantees etc.				
<b>NOTE - 18</b>				
<b>SHORT-TERM LOANS AND ADVANCES</b>				
Unsecured, considered good				
i) To others		21,811.25		23,846.36
TOTAL		<u>21,811.25</u>		<u>23,846.36</u>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

	As on 31 March 2014		As on 31 March 2013	
	₹. Lacs	₹. Lacs	₹. Lacs	₹. Lacs
<b>NOTE - 19</b>				
<b>REVENUE FROM OPERATIONS</b>				
i) Sales of goods		37,399.21		68,243.76
ii) Sale of services		2,735.99		4,499.28
TOTAL		<u>40,135.20</u>		<u>72,743.04</u>
<b>NOTE - 20</b>				
<b>OTHER INCOME</b>				
i) Interest received		207.93		335.46
ii) Dividend income		49.52		301.33
iii) Lease rental income		700.00		700.00
iv) Exchange differences, net income		(1,664.42)		(1,466.22)
v) Miscellaneous income from non-operating activities		19.09		50.88
TOTAL		<u>(687.88)</u>		<u>(78.55)</u>
<b>NOTE - 21</b>				
<b>COST OF MATERIALS CONSUMED</b>				
Opening stock of raw material		11,676.99		11,043.66
Add: Purchases (net)		24,722.19		48,411.50
Less: Closing stock of raw material		9,990.08		11,676.99
TOTAL		<u>26,409.10</u>		<u>47,778.17</u>
<b>NOTE - 22</b>				
<b>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE</b>				
Stock in trade (at the commencement)				
Semi finished goods / work-in-progress	1,564.21		1,164.61	
Finished goods	<u>513.29</u>		<u>590.19</u>	
TOTAL		2,077.50		1,754.80
Stock in trade (at the end)				
Semi finished goods / work-in-progress	879.34		1,564.21	
Finished goods	<u>384.59</u>		<u>513.29</u>	
TOTAL		1,263.93		2,077.50
(Increase) / Decrease		<u>813.57</u>		<u>(322.70)</u>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

	As on 31 March 2014 ₹. Lacs	As on 31 March 2013 ₹. Lacs
<b>NOTE - 23</b>		
<b>EMPLOYEE BENEFITS EXPENSE</b>		
i) Salaries, wages, allowance and bonus	1,788.71	2,465.67
ii) Contribution to retirement benefits for employees	83.82	109.59
iii) Staff welfare expenses	56.63	61.74
<b>TOTAL</b>	<b>1,929.16</b>	<b>2,637.00</b>
<b>NOTE - 24</b>		
<b>OTHER EXPENSES</b>		
i) Consumables, Spares and Loose Tools Consumed	148.15	76.28
ii) Power and Fuel	1,125.55	810.54
iii) Repairs and Maintenance		
Plant and Machinery	103.50	148.86
Buildings	22.07	22.34
Others	78.25	66.02
	203.82	237.22
iv) Rent / Lease of Premises	112.79	118.34
v) Rates and Taxes	5.47	5.60
vi) Insurance	100.41	89.92
vii) Selling Expenses	1,260.80	1,426.46
viii) Travelling, Conveyance and Vehicle Expenses	323.59	473.80
ix) Communication Expenses	56.47	68.33
x) Consultancy Charges	784.73	486.42
xi) Loss on Sale of Assets	0.67	31.70
xii) Donations	0.35	0.40
xiii) Office Expenses, Administrative and Other Miscellaneous Expenses	423.11	523.70
<b>TOTAL</b>	<b>4,545.91</b>	<b>4,348.71</b>
<b>NOTE - 25</b>		
<b>FINANCE COSTS</b>		
i) Interest Expenses	10,206.20	8,008.01
ii) Other Borrowing Costs	3,754.14	1,398.52
iii) Bank charges & commission/brokerage	743.48	842.91
<b>TOTAL</b>	<b>14,703.82</b>	<b>10,249.44</b>
<b>NOTE - 26</b>		
<b>DEPRECIATION AND AMORTISATION EXPENSE</b>		
i) Depreciation on Tangible Assets	5,829.53	3,431.12
ii) Amortisations of Intangible Assets	951.09	768.41
<b>TOTAL</b>	<b>6,780.62</b>	<b>4,199.53</b>



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

	As on 31 March 2014		As on 31 March 2013	
	₹. Lacs	₹. Lacs	₹. Lacs	₹. Lacs
<b>NOTE - 27</b>				
<b>TAX EXPENSE</b>				
Current Tax:				
Income Tax		—		—
Minimum Alternate Tax (MAT)	—		219.00	
Less: MAT Credit Entitlement	—	—	219.00	—
Deferred Tax		(1,493.49)		494.70
Income Tax Earlier Year		1,628.46		—
		<u>134.97</u>		<u>494.70</u>
<b>NOTE - 28</b>				
<b>EARNINGS PER SHARE (EPS)</b>				
i) Net Profit as per Profit & Loss Account		(12,145.71)		657.82
ii) Weighted average number of equity shares for basic / diluted EPS		235,45,231		235,45,231
iii) Nominal value of equity per share (₹.)		10		10
iv) Basic / diluted Earning per share (₹.)		(51.58)		2.79
<b>NOTE - 29</b>				
<b>CONTINGENT LIABILITIES</b>				
i) Claims against the Company, not acknowledged as debts: Corporate guarantees given		147,140.47		105,151.84
ii) Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)		—		—
iii) Interest on Bank Loans (NPA Accounts) has been charged at 10% p.a. being average base rate of lending. The contingent liability for unprovided Interest on account of difference between the Sanctioned Rate of Interest and the Base Rate, which is subject to negotiation with individual banks as a part of the Restructuring undertaken by the Company.		4,237.97		—
iv) The Commissioner of Income Tax (Central), Pune has filed a Writ Petition in the honourable High Court of Judicature at Mumbai against Income Tax Settlement Commission (ITSC) & the Company. The Writ Petition is filed challenging the order of the ITSC u/s 245D(4) passed on 14th October 2013 in favour of the Company allowing the Company's claim of certain expenditure. Thus, the Company may have a possible obligation based on the outcome of the Writ petition which is currently not possible to estimate.				
<b>NOTE - 30</b>				
<b>AUDITOR'S REMUNERATION</b>				
i) As auditor:				
— Audit fee		11.24		7.30
— Tax audit fee		2.25		1.69
ii) In other capacity:				
— Taxation matters		8.99		1.69
— Other services		6.74		0.56
TOTAL		<u>29.22</u>		<u>11.24</u>
<b>NOTE - 31</b>				
<b>RESEARCH AND DEVELOPMENT EXPENDITURE</b>				
i) Capital		—		—
ii) Revenue		792.89		1,488.70
TOTAL		<u>792.89</u>		<u>1,488.70</u>
<b>NOTE - 32</b>				
<b>DUES TO MICRO AND SMALL ENTERPRISES</b>				
Trade payables include ₹. 44.33 lacs (31 March 2013 : ₹. 63.77 lacs) payable to Micro and Small enterprises under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). No amount is overdue for payment to such undertakings.				

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

### NOTE - 33

#### DEFERRAL / CAPITALISATION OF EXCHANGE DIFFERENCES

The Ministry of Corporate Affairs (MCA) has issued the amendment dated 29 December 2011 to AS-11 *The Effects of Changes in Foreign Exchange Rates*, to allow companies deferral / capitalization of exchange differences arising on long term foreign currency monetary items. In accordance with the amendment, the Company has deferred the exchange loss arising on long term foreign currency loans amounting to ₹. NIL (31 March 2013 : ₹. NIL). As the Company does not have any other long term foreign currency monetary item, the same is reflected in the "Foreign Currency Monetary Items Translation Difference Account (FCMITDA)". During the year, the Company has written off the carried forward balance of ₹. 823.10 lacs (31 March 2013: ₹. 658.86 lacs) from this account, making it NIL.

### NOTE - 34

#### GRATUITY PLAN

	As on 31 March 2014		As on 31 March 2013	
	₹. Lacs	₹. Lacs	₹. Lacs	₹. Lacs
i) Statement of Profit and Loss				
Net Employee benefit expense recognised in Employee Cost				
Current / Past Service Cost		36.48		54.08
Interest cost on benefit obligation		17.84		16.10
Expected return on plan assets		(15.53)		(16.02)
Net Actuarial (gain) / Loss		(49.77)		(6.31)
Net Benefit Expense		(10.98)		47.85
ii) Balance Sheet				
Benefit asset / (liability)				
Present value of defined benefit obligation		202.75		243.28
Fair value of plan assets		173.16		182.75
Plan asset / (liability)		(29.59)		(60.53)
iii) Changes in the present value of the defined benefit obligation				
Opening Defined Benefit obligation		243.28		199.41
Current Service Cost		36.48		54.08
Interest Cost		17.84		16.10
Benefits Paid		(46.02)		(19.95)
Actuarial (gains) / losses on obligation		(48.84)		(6.37)
Closing defined benefit obligation		202.74		243.27
Changes in the fair value of plan assets				
Opening fair value of plan assets		182.75		183.44
Expected return		15.53		16.02
Contribution by employer		19.96		3.28
Benefits paid		(46.02)		(19.95)
Actuarial gains / (losses)		0.93		(0.05)
Closing fair value of plan assets		173.15		182.74

iii) Principal assumptions used in determining gratuity and leave encashment obligations for the Company's plans are as below:

	Gratuity	Leave encashment	Gratuity	Leave encashment
Discount rate	9.20%	9.20%	8.10%	8.10%
Expected rate of return	9.15%	—	9.15%	—
Salary escalation rate	10.00%	10.00%	10.00%	10.00%

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

### NOTE - 35

#### FOREIGN CURRENCY EXPOSURES

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of the transaction and monetary items denominated in foreign currencies at the year-end not covered by forward exchange contracts are translated at year end rates and those covered by forward exchange contracts are translated at the rate of forward exchange contract.

Details of un-hedged foreign currency exposures at the reporting date:

Sr. No.	Particulars	Currency	As on 31 March, 2014		As on 31 March, 2013	
			Foreign Currency	₹. Lacs	Foreign Currency	₹. Lacs
i)	Bank Balances	USD	4.34	260.91	0.39	21.41
		EURO	1.37	113.39	—	—
ii)	Trade Payables	EURO	11.83	978.66	8.41	585.51
		USD	83.62	5,022.06	144.71	7,855.45
		GBP	0.24	24.15	0.06	4.98
		SGD	0.03	1.43	1.06	46.27
		JPY	0.50	0.29	—	—
iii)	Trade Receivables	EURO	7.11	588.49	6.68	464.91
		USD	59.59	3,578.87	33.26	1,805.42
		GBP	0.68	68.13	0.09	7.76
iv)	Foreign Currency Loans	USD	—	—	160.92	8,735.65
	Conversion rates (INR to foreign currency)	EURO		82.73		69.61
		USD		60.06		54.29
		GBP		100.14		82.54
		SGD		47.73		43.75
		JPY		0.58		—

### NOTE - 36

#### OPERATING LEASES

The Company has entered into commercial leases on property and items of machinery. These leases have an average life of between three and ten years and there are no restrictions placed upon the Company by entering into these leases.

i)	As lessee		
	Within one year	209.43	1,171.61
	After one year but not more than five years	162.83	4,147.75
	More than five years	157.92	199.35
ii)	Lease Rental Income		
	Within one year	700.00	700.00
	After one year but not more than five years	2,800.00	2,800.00
	More than five years	1,692.50	2,392.50

### NOTE - 37

#### EXPENDITURE IN FOREIGN CURRENCY (actual payment basis)

i)	Value of imports on CIF basis		
	Raw materials	11,870.48	18,398.14
ii)	Other expenses		
	Traveling Expenses	127.93	145.86
	Interest	328.34	1,024.33
	Other	847.63	265.71

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

	As on 31 March 2014 ₹. Lacs	As on 31 March 2013 ₹. Lacs
<b>NOTE - 38</b>		
<b>EARNINGS IN FOREIGN CURRENCY (actual receipt basis)</b>		
i) Export of Goods	8,760.10	5,849.33
ii) Lease Rent	—	2,625.00
iii) Dividend (from joint venture)	—	275.60

## NOTE - 39

### MANAGERIAL REMUNERATION

According to Section 198, 269 read with Schedule XIII of the Companies Act 1956, the remuneration that could be paid to the Executive Directors in case of inadequacy of Profits u/s 349 & 350 of the Companies Act is maximum up to ₹. 2.00 lacs per month, however, the remuneration paid to the Executive Directors during the financial year is NIL. The excess remuneration of ₹. 11.26 lacs of the previous financial year, calculated as per expert opinion, is recovered from the Executive Directors during the current financial year.

## NOTE - 40

### RELATED PARTY DISCLOSURES

Disclosure as required by Accounting Standard (AS) - 18 "Related party disclosures" as prescribed u/s. 211 (3C) of the Companies Act, 1956.

#### i) Names of related parties and related party relationship

Related parties where control exists  
Ultimate holding Company  
Holding Company  
Subsidiaries

Holding Company  
Subsidiaries

Wholly owned subsidiary  
Wholly owned subsidiary

Related parties - Joint venture  
Key Management Personnel

#### **Bilcare Limited**

#### **Bilcare Singapore Pte. Ltd.**

Bilcare GmbH  
Bilcare Inc  
Bilcare Farmaceutica Embalagem E Pesquisas Ltda  
Bilcare Switzerland SA  
Bilcare Technologies Singapore Pte. Ltd.  
Bilcare Technologies Italia Srl.

#### **Bilcare Mauritius Ltd.**

Bilcare Research AG  
Bilcare Germany Management GmbH  
Bilcare Germany GmbH & Co KG  
Films Germany Holding GmbH  
Bilcare Agency GmbH  
Bilcare Research Srl.  
Bilcare Fucine Srl. (For Part of the F.Y)  
Bilcare Research Inc  
Bilcare Research GmbH  
Caprihans India Limited

#### **Bilcare International**

#### **Bilcare Packaging Ltd.**

50% holding in International Labs LLC. USA (For Part of the F.Y)  
Mr. Mohan H. Bhandari (Managing Director)  
Dr. Praful R. Naik (Executive Director)

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

	As on 31 March 2014 ₹. Lacs	As on 31 March 2013 ₹. Lacs
ii) Related Party Transactions		
Subsidiaries		
Sale	1,062.26	1,291.76
Purchases	1,404.67	1,257.29
Lease Income	700.00	700.00
ICD	500.00	500.00
Dividend Received	—	275.60
Others	—	22.09
Directors & relatives		
Purchase of land	206.59	6,023.08
Remuneration to key management personnel		
Mr. Mohan H. Bhandari (Managing Director)		
Basic Salary	—	120.00
Perquisites	—	60.00
Dr. Praful R. Naik (Executive Director)		
Basic Salary	—	78.00
Perquisites	—	42.00
Mr. Robin Banerjee (Dy Managing Director & CFO)*		
Basic Salary	—	67.25
Perquisites	—	61.11
*Employed for part of the year		

### NOTE - 41

#### SEGMENT INFORMATION

The Company is engaged in pharma packaging research solutions which is considered the only reporting business segment for disclosure in the financial statements by the management in the light of the dominant source and nature of risks and returns, location of its production facilities and assets of the group and relied upon by the auditors as per accounting standard AS-17.

### NOTE - 42

#### EXCEPTIONAL ITEMS

During the year the company has parted with its Joint Venture in USA. The profit on sale of this investment amounting to ₹. 3,748.75 lacs has been recognized as an exceptional item in the Profit & Loss Account.

### NOTE - 43

#### EXTRAORDINARY ITEMS

The Company has written off absolute and non-moving inventory to the extent of ₹. NIL (31 March 2013 : ₹. 2,312.46 lacs).

### NOTE - 44

The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated 8th February 2011 and 21st February 2011 respectively read with General Circular No. 08/2014 dated 4th April 2014 has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Financial Statements.

### NOTE - 45

#### PREVIOUS YEAR FIGURES

Figures for the previous year have been regrouped / reclassified wherever necessary to confirm with the current year's classification.

### NOTE - 46

The financial statements are presented in ₹. Lacs and decimal thereof except for per share information or as otherwise stated.

# NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

## ANNEXURE A TO NOTES TO FINANCIAL STATEMENTS

	As on 31 March 2014		As on 31 March 2013	
	₹. Lacs	₹. Lacs	₹. Lacs	₹. Lacs
<b>NOTE - 5</b>				
<b>LONG TERM BORROWINGS</b>				
<b>i) Secured Loans</b>				
Term Loan from Banks :				
– Indusind Bank Ltd.	–		902.94	
– State Bank of India	21,136.99		21,136.99	
Loan of Rs. 15,000 lacs : (Payable from 30.04.2011 in 57 monthly installments, rate of interest 14.70% p.a.) (Default in payment from September 2012 till date, Rs. 5,950.00 lacs)				
Loan of Rs. 9,200 lacs : (Payable from 30.11.2011 in 11 monthly installments, rate of interest 13.95% p.a.) (Default in payment from March 2012 till date, Rs. 6,800.00 lacs)				
– S E Investments Ltd.	46.67		350.00	
(Payable from 30.06.2012 in 24 equal monthly installments, rate of interest 10.75% p.a.)				
– SREI Equipment Finance Pvt. Ltd.	592.79		689.05	
(Payable from 22.10.2012 in 54 equal monthly installments, rate of interest 14.25% p.a.) (Default in payment from January 2014 till date, Rs. 50.98 lacs)				
– Punjab National Bank	5,664.86		5,118.46	
(Payable from 31.03.2013 in 9 quarterly installments, rate of interest 14.50% p.a.) (Default in payment from March 2013 till date, Rs. 2,248.70 lacs)				
– State Bank of Hyderabad	5,000.29		5,167.16	
(Payable from 31.10.2013 in 12 quarterly installments, rate of interest 13.20% p.a.) (Default in payment from October 2013 till date, Rs. 833.33 lacs)				
– Central Bank of India	4,635.40		4,635.40	
(Payable from 31.07.2012 in 6 monthly installments, rate of interest 15% p.a.) (Default in payment from August 2012 till date, Rs. 4,347.00 lacs)				
– Axis Bank	5,448.20		5,572.61	
(Payable from 31.03.2013 in 12 quarterly installments, rate of interest 13.50% p.a.) (Default in payment from June 2013 till date, Rs. 1,666.67 lacs)				
– IDBI Bank	86.96		867.20	
(Payable from 01.01.2013 in 10 monthly installments, rate of interest 15% p.a.) (Default in payment from October 2013 till date, Rs. 86.96 lacs)				
– United Bank of India	4,975.41		4,986.58	
(Payable from 31.12.2012 in 12 quarterly installments, rate of interest 13% p.a.) (Default in payment from December 2012 till date, Rs. 2,470.00 lacs)				
– The Karnataka Bank Ltd.	5,666.71		5,166.58	
(Payable from 01.01.2013 in 12 quarterly installments, rate of interest 13% p.a.) (Default in payment from January 2013 till date, Rs. 2,083.35 lacs)				

# NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

## ANNEXURE A TO NOTES TO FINANCIAL STATEMENTS

	As on 31 March 2014		As on 31 March 2013	
	₹. Lacs	₹. Lacs	₹. Lacs	₹. Lacs
<b>i) Secured Loans (Contd..)</b>				
Term Loan from Banks (Contd..) :				
– Canara Bank (Payable from 30.01.2013 in 10 monthly installments, rate of interest 12.95% p.a.) (Default in payment from January 2013 till date, Rs. 4,412.00 lacs)	5,141.07		4,562.12	
– Andhra Bank (Payable from 30.09.2013 in 3 quarterly installments, rate of interest 14.25% p.a.) (Default in payment from September 2013 till date, Rs. 5,000.00 lacs)	6,006.85		5,184.66	
– Federal Bank (Payable from 30.06.2015 in 20 quarterly installments, rate of interest 11% p.a.)	5,047.14		5,158.03	
– Federal Bank – FITL (Funded Interest Term Loan) (Payable from 30.06.2015 in 20 quarterly installments, rate of interest 11% p.a.)	504.66		–	
– Bank of Baroda (Payable from 30.04.2013 in 72 monthly installments, rate of interest 12.75% p.a.) (Default in payment from July 2013 till date, Rs. 928.50 lacs)	15,571.55		15,890.73	
– South Indian Bank	–		10,339.61	
– Jammu & Kashmir Bank Ltd.	–		5,189.89	
– Dhanlaxmi Bank (Payable from 25.09.2013 in single installment, rate of interest 18% p.a.) (Default in payment from September 2013 till date, Rs. 5,608.04 lacs)	5,608.04		–	
– State Bank of Bikaner & Jaipur (Payable from 30.06.2013 in 6 quarterly installments, rate of interest 13.40% p.a.) (Default in payment from June 2013 till date, Rs. 1,650.00 lacs)	2,469.73		2,585.79	
– Barclays Bank (Payable from 31.08.2012 in single installment, rate of interest 13.75% p.a.) (Default in payment from August 2012 till date, Rs. 290.04 lacs)	290.04		253.14	
Debentures / bonds	–		–	
		93,893.36		1,03,756.94
<b>ii) Unsecured Loans</b>				
Deferred Sales Tax Loan (Interest Free)	1,088.20		1,165.76	
Term Loan from Banks:				
– Lakshmi Vilas Bank Ltd.	–		4,646.50	
– Corporation Bank (Payable from 31.01.2013 in 3 installments, rate of interest 13.25% p.a.) (Default in payment from January 2013 till date, Rs. 5,000.00 lacs)	5,000.00		5,171.69	
Others:				
– CSIR Loan (Payable from 01.10.2014 in 10 yearly installments, rate of simple interest 3% p.a.)	893.46		804.96	
		6,981.66		11,788.91
		100,875.02		115,545.85



## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### I REGISTRATION DETAILS

Registration No.  State Code

Balance Sheet Date

### II CAPITAL RAISED DURING THE YEAR (AMOUNT IN ₹. LACS)

Public Issue  Right Issue

Bonus Issue  Private Placement

### III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN ₹. LACS)

Total Liabilities  Total Assets

#### EQUITY AND LIABILITIES

Shareholders' Funds  Non current liabilities

Current Liabilities

#### ASSETS

Non Current Assets  Current Assets

### IV PERFORMANCE OF COMPANY (AMOUNT IN ₹. LACS)

Income  Expenditure

EBIDTA

Profit / (Loss) before Tax  Profit / (Loss) after Tax

Earning Per Share in ₹.  Dividend rate %

### V GENERIC NAMES OF THREE PRINCIPAL/PRODUCTS/SERVICES OF COMPANY (AS PER MONETARY TERMS)

Item Code No (ITC Code)

Product Description

For and on behalf of Board of Directors

**Mohan H. Bhandari**  
Managing Director

**Dr. Praful R. Naik**  
Executive Director

Place : Pune  
Date : 30 May 2014

**Anil Tikekar**  
Company Secretary

## Statement pursuant to Section 212 of the Companies Act, 1956 relating to subsidiaries

Sr. No.	Name of the Subsidiary	Reporting Currency	Country	Capital	Reserves	Total Assets	Total Liabilities	Details of Investments	Turnover including Other Income	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
													₹. Lacs
1.	Bilcare Singapore Pte Ltd.	SGD	Singapore	83,449.12	14,605.68	126,619.24	126,619.24	31,507.52	11,242.72	(4,488.36)	–	(4,488.36)	–
2.	Bilcare GmbH	Euro	Germany	20.68	151.64	592.07	592.07	–	–	(7.19)	–	(7.19)	–
3.	Bilcare Inc.	USD	USA	5,091.16	6,193.91	11,417.68	11,417.68	–	–	(236.76)	–	(236.76)	–
4.	Bilcare Farmaceutica Embalagem E Pesquisas Ltda	BRL	Brazil	139.31	(139.31)	–	–	–	–	(0.15)	–	(0.15)	–
5.	Bilcare Technologies Singapore Pte. Ltd.	SGD	Singapore	6,060.90	(4,626.94)	6,615.15	6,615.15	–	179.29	(1,657.56)	0.18	(1,657.74)	–
6.	Bilcare Technologies Italia Srl.	Euro	Italy	16.55	(60.98)	5.52	5.52	–	–	(0.25)	–	(0.25)	–
9.	Bilcare Switzerland SA	CHF	Switzerland	67.91	(31.39)	36.52	36.52	–	0.02	(2.67)	–	(2.67)	–
10.	Bilcare Mauritius Ltd.	USD	Mauritius	16,380.20	(36.89)	19,130.20	19,130.20	16,292.02	0.08	(11.43)	–	(11.43)	–
11.	Bilcare Research AG	Euro	Switzerland	12,524.32	5,381.75	111,995.63	111,995.63	22,906.24	22,737.08	5,236.93	1,241.26	3,995.67	–
12.	Bilcare Germany Management GmbH	Euro	Germany	20.64	(94.48)	21.61	21.61	–	1.01	(62.78)	–	(62.78)	–
13.	Bilcare Germany GmbH & Co. KG	Euro	Germany	8,773.06	(5,241.33)	67,765.48	67,765.48	66,556.66	4,796.25	1,243.20	945.67	297.53	–
14.	Films Germany Holding GmbH	Euro	Germany	20.64	2,241.13	2,268.28	2,268.28	2,229.57	20.02	9.21	5.28	3.93	–
15.	Bilcare Agency GmbH	CHF	Switzerland	13.58	(21.91)	0.46	0.46	–	0.00	(9.31)	–	(9.31)	–
16.	Bilcare Research Srl	Euro	Italy	412.88	4,955.64	18,221.97	18,221.97	0.00	38,095.87	5,764.56	1,253.56	4,511.00	–
17.	Bilcare Fucine Srl*	Euro	Italy	–	–	–	–	–	9,494.83	7,302.46	2,508.39	4,794.07	–
18.	Bilcare Research Inc	USD	USA	30.05	13,007.09	23,195.65	23,195.65	–	31,072.51	(2,038.80)	–	(2,038.80)	–
19.	Bilcare Research GmbH	Euro	Germany	7,536.87	63,718.41	104,280.23	104,280.23	9,358.37	159,411.52	11,320.39	3.73	11,316.66	–
20.	Caprihans India Limited	INR	India	1,313.40	9,788.80	14,507.89	14,507.89	–	24,531.46	810.40	285.00	525.40	–
21.	Bilcare International	USD	Mauritius	77.54	(209.94)	5,012.45	5,012.45	–	–	(26.07)	–	(26.07)	–
21.	Bilcare Packaging Ltd.	USD	Mauritius	30.05	(204.94)	23,465.93	23,465.93	–	–	(204.94)	–	(204.94)	–

\*For part of the FY.

# **CONSOLIDATED FINANCIAL STATEMENTS**

## AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To  
The Board of Directors  
Bilcare Limited

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Bilcare Limited** (the "Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as on 31 March 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") read with the general circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the other auditors on the financial statements / consolidated financial statements of the subsidiaries and associates and unaudited financial statements of subsidiaries and associates as approved by the management as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as on 31 March 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

### Other Matters

We did not audit the financial statements / consolidated financial statements of certain overseas subsidiaries whose financial statements / consolidated financial statements reflect total assets (net) of ₹. 131,817.85 lacs as on 31 March 2014, total revenues (net) of ₹. 282,242.87 lacs and net cash inflows amounting to ₹. 1,998.71 lacs for the year ended on that date. These financial statements / consolidated financial statements have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the reports of the other auditors.

We have relied on the unaudited financial statements/ consolidated financial statements of certain overseas subsidiaries, whose financial statements reflect total assets (net) of ₹. 131,516.61 lacs as on 31 March 2014, total revenues (net) of ₹. 11,167.90 lacs and net cash inflows amounting to ₹. 1,440.34 lacs for the year ended on that date. These unaudited financial statements as approved by the respective Board of Directors of these companies and certified under Indian GAAP by a firm of Chartered Accountants in India in respect of majority of the revenues/assets have been furnished to us by the management and our report in so far as it relates to the amounts included in respect of such subsidiaries is based solely on such approved unaudited financial statements. Our opinion is not qualified in respect of other matters.

For R. L. RATHI & CO.  
Firm Registration No. 108719W  
Chartered Accountants

Place: Pune  
Date: 30 May 2014

R. L. RATHI  
Proprietor  
Membership No. 14739

# **CONSOLIDATED BALANCE SHEET AS ON 31 MARCH 2014**

	Notes	As on 31 March 2014 ₹. Lacs	As on 31 March 2013 ₹. Lacs
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUND</b>			
Share capital	2	2,354.52	2,354.52
Reserves & surplus	3	130,028.06	130,192.06
		132,382.58	132,546.58
<b>SHARE APPLICATION MONEY PENDING ALLOTMENT</b>			
		—	—
<b>MINORITY INTEREST</b>			
		5,259.96	5,353.97
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities (net)	4	8,243.74	15,005.60
Long-term borrowings	5	188,165.41	176,948.29
Other long-term liabilities	6	4,500.38	4,080.16
Long-term provisions	7	11,698.12	8,980.21
		212,607.65	205,014.26
<b>CURRENT LIABILITIES</b>			
Trade payables		24,044.79	36,187.18
Short-term borrowings	8	26,418.09	33,428.94
Other current liabilities	9	21,929.68	18,189.05
Short-term provisions	10	14,192.91	9,280.95
		86,585.47	97,086.12
TOTAL		436,835.66	440,000.93
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets			
Tangible assets	11	178,458.07	120,981.37
Intangible assets	12	10,078.81	10,444.27
Goodwill on consolidation		24,106.68	17,867.34
Capital work-in-progress		26,232.19	84,587.22
		238,875.75	233,880.20
Non-current investments	13	14.75	9.12
Long-term loans and advances	14	574.41	1,343.04
Other non-current assets	15	4,960.99	5,450.97
		244,425.90	240,683.33
<b>CURRENT ASSETS</b>			
Inventories	16	47,166.05	45,229.54
Trade receivables	17	87,907.46	103,004.12
Cash and cash equivalents	18	10,602.22	9,439.53
Short-term loans and advances	19	40,074.18	36,724.30
Other current assets	20	6,659.85	4,920.11
		192,409.76	199,317.60
TOTAL		436,835.66	440,000.93
Summary of Significant Accounting Policies	1		

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For and on behalf of Board of Directors

**R. L. Rathi & Co.**

Firm Registration No.108719W

Chartered Accountants

**R. L. Rathi**

Proprietor

Membership No.14739

Place : Pune

Date : 30 May 2014

**Mohan H. Bhandari**

Managing Director

**Anil Tikekar**

Company Secretary

**Dr. Praful R. Naik**

Executive Director

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2014

	Notes	Year ended 31 March 2014 ₹. Lacs	Year ended 31 March 2013 ₹. Lacs
<b>INCOME</b>			
Revenue from operations	21	306,197.53	354,674.73
Other income	22	1,367.75	486.49
Total revenue (i)		307,565.28	355,161.22
<b>EXPENDITURE</b>			
Cost of materials consumed	23	169,715.92	209,786.21
Changes in inventories of finished goods, Work-in-Progress and stock in trade	24	(2,991.03)	(2,149.31)
Employee benefits expense	25	56,291.01	53,102.72
Other expenses	26	58,855.85	55,236.59
Total expenses (ii)		281,871.75	315,976.21
Profit before interest, depreciation and tax (EBIDTA) (i - ii)		25,693.53	39,185.01
Finance Costs	27	21,724.38	16,737.78
Depreciation and amortisation expense	28	14,101.01	14,841.99
Profit / (Loss) before tax		(10,131.86)	7,605.24
Tax expense	29	2,295.53	1,882.19
Profit / (Loss) from continuing operations		(12,427.39)	5,723.05
(Profit) / Loss from sale of business		–	(1,347.43)
Prior period expenses		24.63	309.36
Exceptional Items		(1,044.08)	–
Extraordinary Items		–	2,312.46
Minority interest		(74.15)	489.47
Profit / (Loss) after tax carried to Balance Sheet		(11,333.79)	3,959.19
Earnings Per Share of ₹. 10/- each : (computed on the basis of continuing operation)	30		
Basic (₹.)		(48.14)	16.82
Diluted (₹.)		(48.14)	16.82
Summary of Significant Accounting Policies	1		

The accompanying notes are an integral part of the Financial Statements

As per our report of even date  
**R. L. Rathi & Co.**  
 Firm Registration No.108719W  
 Chartered Accountants

For and on behalf of Board of Directors

**R. L. Rathi**  
 Proprietor  
 Membership No.14739

**Mohan H. Bhandari**  
 Managing Director

**Dr. Praful R. Naik**  
 Executive Director

Place : Pune  
 Date : 30 May 2014

**Anil Tikekar**  
 Company Secretary

# **CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2014**

	Year ended 31 March 2014 ₹. Lacs	Year ended 31 March 2013 ₹. Lacs
<b>A Cash flow from Operating Activities</b>		
Profit after tax	(11,333.79)	3,959.19
Adjustments for:		
Depreciation	32,291.33	14,848.01
Interest / Dividend (Net)	21,299.30	15,991.41
(Profit) / Loss on sale of fixed assets	0.67	31.67
(Profit) / Loss on sale of investment	(768.29)	–
Foreign Currency Monetary Items Translation Difference Account	823.10	658.86
Exchange Difference (Foreign Currency Translation Reserves)	10,070.46	6,655.47
Operating Profit before Working Capital Changes	52,382.78	42,144.61
Deferred Tax Liability	(6,761.86)	(3,014.77)
Adjustments for:		
Trade & other receivables	11,265.65	(8,089.72)
Inventories	(1,936.50)	6,698.86
Trade Payables	(12,981.00)	217.19
(Increase) / Decrease in Preliminary Expenses	–	1,607.20
Cash generated from operations	41,969.07	39,563.37
Interest Paid	(11,609.09)	(14,426.99)
Direct Taxes paid	2,093.80	(2,399.27)
Net cash from operating activities	32,453.78	22,737.11
<b>B Cash flow from Investing Activities</b>		
Purchase of fixed assets	(47,176.46)	(103,427.46)
Sale of fixed assets	9,888.92	18,385.34
Investments (net inflow from sale of investment)	762.65	(12,320.35)
Interest received	375.56	445.05
Dividend received	49.52	301.33
Net cash used in investing activities	(36,099.81)	(96,616.09)
<b>C Cash flow from Financing Activities</b>		
Proceeds from issue of Share Capital	–	–
Proceeds from Share Premium (Net)	276.25	3,045.88
Increase in Share Application Money	–	(2,836.81)
Increase in Minority Interest	(94.01)	148.00
Recoupment from Revaluation Reserve	–	(76.00)
Proceeds from Long Term Borrowings	28,568.23	89,271.28
Repayment of Long Term Borrowings	(23,941.75)	(22,941.48)
Dividend Paid Including Tax	–	(547.30)
Net cash from financing activities	4,808.72	66,063.57
Net increase in cash & cash equivalents (A+B+C)	1,162.69	(7,815.41)
Cash and cash equivalents as at 01.04.2013	9,439.53	17,254.94
Cash and cash equivalents as at 31.03.2014	10,602.22	9,439.53

As per our report of even date

**R. L. Rathi & Co.**

Firm Registration No.108719W

Chartered Accountants

**R. L. Rathi**

Proprietor

Membership No.14739

Place : Pune

Date : 30 May 2014

**Mohan H. Bhandari**

Managing Director

**Anil Tikekar**

Company Secretary

For and on behalf of Board of Directors

**Dr. Praful R. Naik**

Executive Director



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE - 1

#### SIGNIFICANT ACCOUNTING POLICIES

i) Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared this financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

ii) Principles of consolidation

The consolidated financial statements for the year ended 31 March 2014 of the company and its subsidiaries (the "Group") are prepared in accordance with generally accepted accounting principles in India, and the Accounting Standard 21 (AS-21) on 'Consolidation of Financial Statements', notified by Companies (Accounting Standards) Rules, 2006 (as amended) ("Accounting Standards") to the extent possible in the same format as that adopted by the company for its separate financial statements.

The financial statements of the company and its subsidiary companies have been combined on line by line basis by adding together the book value of line items of assets and liabilities, income and expenditure after eliminating intra group balances and intra group transactions except where cost cannot be recovered. Any excess of the cost to the company of its investment in a subsidiary and the company's portion of equity of subsidiary at the date, at which investment in the subsidiary is made, is described as goodwill and recognized separately as an asset in the consolidated financial statements.

iii) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

iv) Fixed assets

a. Tangible fixed assets: Tangible fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price net of discounts and rebates, borrowing costs and directly attributable costs of bringing the asset to its working condition for the intended use. The company adjusts exchange differences arising on translation / settlement of long term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset. Trial run income and expenses are directly capitalized to the respective assets.

b. Research and development costs: Research costs are expensed as incurred. Development expenditure incurred resulting into enduring benefits are capitalized.

c. Depreciation on tangible fixed assets: Depreciation is calculated on a straight line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed by Schedule XIV to the Companies Act, 1956, whichever is higher. In respects of assets added / disposed off during the year, depreciation has been calculated on pro-rata basis with reference to the number of days in use.

d. Intangible assets: Intangible assets acquired are measured on initial recognition at cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized over their estimated economic life.

v) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments. On initial recognition, all investments are measured at cost.

vi) Impairment of assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units' (CGU) net selling price and its value in use. Where the carrying amount of an asset or the CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognized in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken into revaluation reserve. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date whether there is any indication that previously recognized impairment losses may no longer exists or may have decreased. If such indication exists, the company estimates the asset's or CGU's recoverable amount.

vii) Inventories

Raw Materials, components, stores and spares, work-in-progress and finished goods are valued at lower of cost and net realizable value and is determined on FIFO basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated costs necessary to make the sale.

viii) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Sale of goods: Revenue from sale of goods is recognized based on billed and dispatch of goods to the customer. Sales are net of discounts, sales tax, excise duty and sales returns.

Income from services: Revenues from services are recognized pro-rata over the period as and when services are rendered net of taxes.

Interest: Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

Dividend: Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

Translation of integral and non-integral foreign operations: The Group classifies all its foreign operations either as "integral foreign operations" or "non-integral foreign operations". The financial statements of the integral foreign operations are translated as if the transactions of the foreign operations have been those of the group itself. The assets and liabilities of the non-integral operations are translated into the reporting currency at the exchange rate prevailing at the reporting date. Their statement of profit and loss is translated at exchange rates prevailing at the date of transactions. The exchange differences arising on translation are accumulated in the foreign currency translation reserve.

ix) Duties and taxes

Sales tax: The Company opted for the Sales Tax Incentives by way of deferral under Government of Maharashtra Package Scheme of Incentive 1993. The period for deferment of tax liability is 10 years and payable thereafter in five equal annual installments.

Excise duty: Excise duty is accounted for on sale of goods. No provision is made for goods manufactured and lying in factory premises.

x) Retirement and other employee benefits

Provident fund: Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The company has no obligation, other than contribution payable to the provident fund.

Gratuity: The costs of providing gratuity are determined on the basis of actuarial valuation at each year end and actuarial gains / losses are recognized in full in the period in which they occur in the statement of profit and loss. Separate actuarial valuation is carried out for each plan using the projected unit credit method.

Accumulated leave: The Company presents the entire accumulated leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

xi) Borrowing costs

Borrowing cost includes interest, amortization of ancillary cost incurred in connection with the arrangement of borrowings and exchange differences arising out of foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction, modernization and expansion or production of an asset are capitalized as part of the cost of the respective asset.

xii) Income taxes

Current tax: Current income tax is measured at the amount expected to be paid in accordance with the Income Tax Act, 1961 and the tax laws prevailing in the respective tax jurisdiction and the tax rates used to compute the amount are those that are enacted at the reporting date.

Deferred tax: Deferred tax reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years and is measured using the tax rates and tax laws enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities, if they relate to the same taxable entity and the same taxation authority.

xiii) Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

xiv) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The company does not recognize a contingent liability but discloses its existence in the financial statements.

xv) Measurement of EBIDTA

As permitted by the Guidance Note on the Revised Schedule VI of the Companies Act, 1956, the company has elected to present earnings before interest, tax, depreciation and amortization (EBIDTA) as a separate line item on the face of the statement of profit and loss.

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

	As on 31 March 2014		As on 31 March 2013	
	₹. Lacs	₹. Lacs	₹. Lacs	₹. Lacs
<b>NOTE - 2</b>				
<b>SHARE CAPITAL</b>				
AUTHORISED				
i) 40,000,000 (31 March 2013: 40,000,000) Equity Shares of ₹. 10/- each		4,000.00		4,000.00
ii) 5,000,000 (31 March 2013: 5,000,000) Preference Shares of ₹. 10/- each		500.00		500.00
		<u>4,500.00</u>		<u>4,500.00</u>
ISSUED SUBSCRIBED AND PAID UP				
i) Equity Shares 23,545,231 (31 March 2013: 23,545,231) Equity Shares of ₹.10/- each		2,354.52		2,354.52
TOTAL		<u>2,354.52</u>		<u>2,354.52</u>
<b>NOTE - 3</b>				
<b>RESERVES &amp; SURPLUS</b>				
i) Securities Premium				
Balance as per last Financial Statement	54,094.02		51,048.14	
Add: Additions during the Year	<u>276.25</u>		<u>3,045.88</u>	
		54,370.27		54,094.02
ii) General Reserve				
Balance as per last Financial Statement	11,674.44		11,674.44	
Add: Transfer from Statement of Profit and Loss	<u>—</u>		<u>—</u>	
Add: Transfer from Debenture Redemption Reserve	<u>—</u>		<u>—</u>	
		11,674.44		11,674.44
iii) Capital Redemption Reserve		271.63		271.63
iv) Revaluation Reserve				
Balance as per last Financial Statement	<u>—</u>		76.00	
Less: Transfer to Statement of Profit and Loss	<u>—</u>		<u>76.00</u>	
		<u>—</u>		<u>—</u>
v) Foreign Currency Monetary Items Translation Difference Account				
Balance as per last Financial Statement	(823.10)		(1,481.96)	
Add: Additions during the Year	<u>—</u>		<u>—</u>	
Less: Transfer to Statement of Profit and Loss	<u>823.10</u>		<u>658.86</u>	
		<u>—</u>		(823.10)

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

	As on 31 March 2014		As on 31 March 2013	
	₹. Lacs	₹. Lacs	₹. Lacs	₹. Lacs
vi) Foreign Currency Translation Reserve on Consolidation		32,446.96		22,376.52
vii) Surplus in the Statement of Profit and Loss				
Balance as per last Financial Statement	42,598.55		50,959.55	
Add: Net Profit for the year	(11,333.79)		3,959.19	
Less: Transfer to General Reserve	—		—	
Loss on investment	—		12,320.19	
Proposed Dividend	—		—	
Tax on Dividend	—		—	
		31,264.76		42,598.55
TOTAL		<u>130,028.06</u>		<u>130,192.06</u>

### NOTE - 4

#### DEFERRED TAX LIABILITIES (NET)

Deferred Tax Liability	14,443.86	17,512.80
Deferred Tax Assets	(6,200.12)	(2,507.20)
TOTAL	<u>8,243.74</u>	<u>15,005.60</u>

### NOTE - 5

#### LONG-TERM BORROWINGS

i) Secured Loans:		
Term Loan from Banks	174,714.52	167,200.30
Financial Lease Obligations	3,066.60	2,498.43
	177,781.12	169,698.73
ii) Unsecured Loans:		
Deferred Sales Tax Loans	1,088.20	1,165.76
Others	9,296.09	6,083.80
	10,384.29	7,249.56
	<u>188,165.41</u>	<u>176,948.29</u>

### NOTE - 6

#### OTHER LONG-TERM LIABILITIES

Other long-term Liabilities	4,500.38	4,080.16
TOTAL	<u>4,500.38</u>	<u>4,080.16</u>

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

	As on 31 March 2014		As on 31 March 2013	
	₹. Lacs	₹. Lacs	₹. Lacs	₹. Lacs
<b>NOTE - 7</b>				
<b>LONG-TERM PROVISIONS</b>				
Provisions for Employee Benefits		11,698.12		8,980.21
TOTAL		<u>11,698.12</u>		<u>8,980.21</u>
<b>NOTE - 8</b>				
<b>SHORT-TERM BORROWINGS</b>				
i) Secured:				
Working capital loan from banks		4,849.82		7,240.21
ii) Unsecured:				
Fixed deposits from Public	16,568.27		16,370.54	
Term Loan from Banks	<u>5,000.00</u>		<u>9,818.19</u>	
		21,568.27		26,188.73
TOTAL		<u>26,418.09</u>		<u>33,428.94</u>
<b>NOTE - 9</b>				
<b>OTHER CURRENT LIABILITIES</b>				
i) LC Acceptances		10,612.32		15,263.32
ii) Interest accrued but not due on borrowings [Refer Note - 31 (iii)]		12,653.01		2,537.73
iii) Withholding Tax Payable		1,210.21		981.47
iv) Advance - Others		(2,545.86)		(593.47)
TOTAL		<u>21,929.68</u>		<u>18,189.05</u>
<b>NOTE - 10</b>				
<b>SHORT-TERM PROVISIONS</b>				
i) Provision / (Refund) for Taxes on Income		240.15		(1,853.65)
ii) Provision for Employee Benefits		54.97		45.01
iii) Dividend Payable		—		—
iv) Provision for Dividend Tax		—		—
v) Other Short Term Provisions		13,897.79		11,089.59
TOTAL		<u>14,192.91</u>		<u>9,280.95</u>

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014**

**NOTE - 11**

**TANGIBLE ASSETS**

₹. Lacs

Sr.No.	Items of Asset	Gross Block at Cost or Book Value					Depreciation			Net Block		
		As on 01/04/2013	Exchange Fluctuation	Additions	Deductions	As on 31/03/2014	As on 01/04/2013	Exchange Fluctuation	For the Year	Deductions	As on 31/03/2014	As on 31/03/2013
01	Freehold Land	2,707.75	428.14	—	815.42	2,320.47	—	—	—	—	2,320.47	2,707.75
02	Leasehold Land	1,791.71	162.78	—	—	1,954.49	99.50	8.55	35.87	—	1,810.57	1,692.21
03	Building	34,290.26	4,646.54	—	5,107.90	33,828.90	16,318.68	2,488.69	1,077.18	403.99	14,348.34	17,971.58
04	Plant & Machinery	191,689.80	18,658.03	3,675.78	7,078.02	206,945.59	95,532.58	13,752.23	8,669.70	2,235.40	91,226.48	96,157.22
05	Vehicles	1,399.04	220.46	75.15	31.67	1,662.98	1,212.93	201.58	69.43	29.29	208.33	186.11
06	Electric Fitting	1,700.85	—	—	—	1,700.85	599.02	—	78.47	—	1,023.36	1,101.83
07	Furniture & Fixture	1,615.82	99.16	137.59	113.45	1,739.12	800.38	52.00	139.81	30.90	777.83	815.44
08	Office Equipments	1,401.19	35.93	33.55	32.20	1,438.47	1,051.96	20.79	259.19	10.59	117.12	349.23
09	Tools & Equipments	—	—	68,536.70	—	68,536.70	—	—	1,911.13	—	66,625.57	—
	TOTAL	236,596.42	24,251.04	72,458.77	13,178.66	320,127.57	115,615.05	16,523.84	12,240.78	2,710.17	178,458.07	120,981.37

	<b>PREVIOUS YEAR</b>	<b>241,841.91</b>	<b>6,241.00</b>	<b>12,817.04</b>	<b>24,303.53</b>	<b>236,596.42</b>	<b>110,480.47</b>	<b>2,028.62</b>	<b>9,517.58</b>	<b>6,411.62</b>	<b>120,981.37</b>	<b>131,361.44</b>
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**NOTE - 12**

**INTANGIBLE ASSETS**

₹. Lacs

Sr.No.	Items of Asset	Gross Block at Cost or Book Value					Depreciation				Net Block	
		As on 01/04/2013	Exchange Fluctuation	Additions	Deductions	As on 31/03/2014	As on 01/04/2013	Exchange Fluctuation	For the Year	Deductions	As on 31/03/2014	As on 31/03/2013
01	Patent and Trademarks	3,183.66	77.04	165.91	—	3,426.61	927.07	12.53	394.36	—	1,333.96	2,256.59
02	Other Intangible Assets	23,742.57	2,221.01	118.36	2,644.43	23,437.51	15,554.89	1,653.95	1,465.86	3,223.35	15,451.35	8,187.68
	TOTAL	26,926.23	2,298.05	284.27	2,644.43	26,864.12	16,481.96	1,666.48	1,860.22	3,223.35	16,785.31	10,444.27
	PREVIOUS YEAR	25,407.10	1,077.25	1,463.56	1,021.68	26,926.23	13,676.70	804.97	2,496.87	496.58	16,481.96	11,730.40

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

	As on 31 March 2014		As on 31 March 2013	
	₹. Lacs	₹. Lacs	₹. Lacs	₹. Lacs
<b>NOTE - 13</b>				
<b>NON-CURRENT INVESTMENTS</b>				
i) Other non current investments :				
Non-trade investment		14.75		9.12
TOTAL		<u>14.75</u>		<u>9.12</u>
<b>NOTE - 14</b>				
<b>LONG-TERM LOANS AND ADVANCES</b>				
Unsecured, considered good				
i) Security deposits		574.41		1,343.04
		<u>574.41</u>		<u>1,343.04</u>
<b>NOTE - 15</b>				
<b>OTHER NON CURRENT ASSETS</b>				
i) Deposits with Government Authorities		4,960.99		5,450.97
TOTAL		<u>4,960.99</u>		<u>5,450.97</u>
<b>NOTE - 16</b>				
<b>INVENTORIES</b>				
(valued at lower of cost and net realizable value)				
i) Raw Material		20,859.15		22,303.45
ii) Work-in-progress		5,951.40		5,819.69
iii) Finished Goods		15,484.41		12,625.09
iv) Stores & Spares, Consumables		4,871.09		4,481.31
TOTAL		<u>47,166.05</u>		<u>45,229.54</u>
<b>NOTE - 17</b>				
<b>TRADE RECEIVABLES</b>				
Secured, considered good				
i) Outstanding for more than six months from due date	1.87		7.53	
ii) Others	<u>506.28</u>		<u>610.48</u>	
TOTAL		508.15		618.01
Unsecured, considered good				
i) Outstanding for more than six months from due date	56,261.02		51,262.60	
ii) Others	<u>31,138.29</u>		<u>51,123.51</u>	
		87,399.31		102,386.11
TOTAL		<u>87,907.46</u>		<u>103,004.12</u>

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

	As on 31 March 2014		As on 31 March 2013	
	₹. Lacs	₹. Lacs	₹. Lacs	₹. Lacs
<b>NOTE - 18</b>				
<b>CASH AND CASH EQUIVALENTS</b>				
i) Cash on Hand		13.91		39.67
ii) Deposits with Bank				
On Current Account	5,692.63		4,771.30	
On Term Deposit Account	4,895.68		4,628.56	
		10,588.31		9,399.86
TOTAL		10,602.22		9,439.53
a) Term Deposits with banks include earmarked deposits of 2,193.83 lacs (31 March 2013; 2,844.63 lacs) as margin money for letter of credits, guarantees etc.				
<b>NOTE - 19</b>				
<b>SHORT-TERM LOANS AND ADVANCES</b>				
Unsecured, considered goods				
i) Balances with Government Authorities		974.48		2,290.05
ii) Advance others		39,099.70		34,434.25
TOTAL		40,074.18		36,724.30
<b>NOTE - 20</b>				
<b>OTHER CURRENT ASSETS</b>				
i) Prepaid expenses		6,659.85		4,920.11
TOTAL		6,659.85		4,920.11
<b>NOTE - 21</b>				
<b>REVENUE FROM OPERATIONS</b>				
i) Sales of Goods		303,440.75		342,597.66
ii) Sale of Services		2,756.78		12,077.07
TOTAL		306,197.53		354,674.73
<b>NOTE - 22</b>				
<b>OTHER INCOME</b>				
i) Interest Received		375.56		445.05
ii) Dividend Income		49.52		301.33
iii) Profit on Assets Sold / Discarded		—		0.03
iv) Exchange Differences, Net Income		(404.05)		(1,504.12)
v) Profit on Sale of Investment		768.29		—
vi) Miscellaneous income from non-operating activities		578.43		1,244.20
TOTAL		1,367.75		486.49



## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

	As on 31 March 2014		As on 31 March 2013	
	₹. Lacs	₹. Lacs	₹. Lacs	₹. Lacs
<b>NOTE - 23</b>				
<b>COST OF MATERIALS CONSUMED</b>				
Opening Stock of Raw Material		22,303.45		31,380.04
Add: Purchases (net)		168,271.62		200,709.62
Less: Closing stock of Raw Material		20,859.15		22,303.45
<b>TOTAL</b>		<b>169,715.92</b>		<b>209,786.21</b>
<b>NOTE - 24</b>				
<b>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE</b>				
i) Stock in trade (at commencement)				
Semi finished goods / work-in-progress	5,819.69		4,577.69	
Finished goods	12,625.09		11,717.78	
		18,444.78		16,295.47
ii) Stock in trade (at the end)				
Semi finished goods / work-in-progress	5,951.40		5,819.69	
Finished goods	15,484.41		12,625.09	
		21,435.81		18,444.78
(Increase) / Decrease		(2,991.03)		(2,149.31)
<b>NOTE - 25</b>				
<b>EMPLOYEE BENEFITS EXPENSE</b>				
i) Salaries, wages, allowance and bonus		42,058.52		41,669.20
ii) Contribution to retirement benefits for employees		13,241.83		10,359.38
iii) Staff welfare expenses		990.66		1,074.14
<b>TOTAL</b>		<b>56,291.01</b>		<b>53,102.72</b>
<b>NOTE - 26</b>				
<b>OTHER EXPENSES</b>				
i) Consumables, Spares and Loose Tools Consumed		4,837.02		3,813.85
ii) Power and Fuel		16,443.93		14,770.96
iii) Repairs and Maintenance				
Plant and Machinery	3,392.70		2,761.80	
Buildings	72.77		138.69	
Others	125.61	3,591.08	261.14	3,161.63
iv) Rent / Lease of Premises		2,047.55		2,362.83
v) Rates and Taxes		155.75		233.38

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

	As on 31 March 2014 ₹. Lacs	As on 31 March 2013 ₹. Lacs
<b>NOTE - 26 (Continued)</b>		
<b>OTHER EXPENSES</b>		
vi) Insurance	760.01	904.85
vii) Selling Expenses	16,748.26	17,981.29
viii) Travelling, Conveyance and Vehicle Expenses	1,555.53	1,647.60
ix) Communication Expenses	1,826.75	1,369.92
x) Consultancy Charges	4,499.15	3,529.66
xi) Donations	3.90	4.39
xii) Office Expenses, Administrative and other miscellaneous expenses	6,386.25	5,424.53
xiii) Loss on Assets Sold / Discarded	0.67	31.70
TOTAL	<u>58,855.85</u>	<u>55,236.59</u>
<b>NOTE - 27</b>		
<b>FINANCE COSTS</b>		
i) Interest Expenses	11,907.41	12,550.15
ii) Other Borrowing Costs	7,314.41	1,949.06
iii) Bank Charges & Commission/Brokerage	2,502.56	2,238.57
TOTAL	<u>21,724.38</u>	<u>16,737.78</u>
<b>NOTE - 28</b>		
<b>DEPRECIATION AND AMORTISATION EXPENSE</b>		
i) Depreciation on Tangible Assets	12,240.79	9,517.58
ii) Amortisation of Pre-operative Expense	—	2,903.54
iii) Amortisation of Intangible Assets	1,860.22	2,496.87
iv) Less: Recoupment from Revaluation Reserve	—	76.00
TOTAL	<u>14,101.01</u>	<u>14,841.99</u>
<b>NOTE - 29</b>		
<b>TAX EXPENSE</b>		
i) Income Tax	3,237.29	1,365.58
ii) Deferred Tax	(2,570.22)	516.61
iii) Income Tax Earlier Year	1,628.46	—
TOTAL	<u>2,295.53</u>	<u>1,882.19</u>
<b>NOTE - 30</b>		
<b>EARNINGS PER SHARE (EPS)</b>		
Net Profit as per Statement of Profit and Loss (after minority interest)	(11,333.79)	3,959.19
Weighted Average Number of Equity Shares for Basic / Diluted EPS	2,35,45,231	2,35,45,231
Nominal Value of Equity per Share (₹.)	10	10
Basic / Diluted Earning per Share (₹.)	(48.14)	16.82

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

	As on 31 March 2014 ₹. Lacs	As on 31 March 2013 ₹. Lacs
<b>NOTE - 31</b>		
<b>CONTINGENT LIABILITIES</b>		
i) Claims against the Company, not acknowledged as debts:		
Corporate Guarantees given	69,688.38	41,570.68
Disputed Income Tax Matters in Appeal	400.00	400.00
Excise & Others	10,053.43	8,805.73
ii) Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)	7.38	1,531.14
iii) Interest on Bank Loans (NPA Accounts) has been charged at 10% p.a. being average base rate of lending. The contingent liability for unprovided Interest on account of difference between the Sanctioned Rate of Interest and the Base Rate, which is subject to negotiation with individual banks as a part of the Restructuring undertaken by the Company.	4,237.97	—
iv) The Commissioner of Income Tax (Central), Pune has filed a Writ Petition in the honourable High Court of Judicature at Mumbai against Income Tax Settlement Commission(ITSC) & the Company. The Writ Petition is filed challenging the order of the ITSC u/s 245D(4) passed on 14th October 2013 in favour of the Company allowing the Company's claim of certain expenditure. Thus, the Company may have a possible obligation based on the outcome of the Writ Petition which is currently not possible to estimate.		

## NOTE - 32

### RELATED PARTY DISCLOSURES

Lease Income	700.00	700.00
ICD	500.00	500.00
Dividend Received	—	275.60
Others	158.04	100.49

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

### NOTE - 33

#### COMPANIES INCLUDED IN CONSOLIDATION

Name of the Company	Country of incorporation	% holding	Relationship
Bilcare Limited	India	–	Ultimate Holding Company
Bilcare Singapore Pte. Ltd.	Singapore	100.0%	Wholly owned Subsidiary
Bilcare GmbH	Germany	100.0%	Stepdown Subsidiary
Bilcare Inc	USA	100.0%	Stepdown subsidiary
Bilcare Farmaceutica Embalagem	Brazil	100.0%	Stepdown subsidiary
E Pesquisas Ltda			
Bilcare Switzerland SA	Switzerland	100.0%	Stepdown subsidiary
Bilcare Technologies Singapore Pte. Ltd.	Singapore	80.0%	Stepdown Subsidiary
Bilcare Technologies Italia Srl.	Italy	92.5%	Stepdown Subsidiary
Bilcare Mauritius Ltd.	Mauritius	100.0%	Wholly Owned Subsidiary
Bilcare Research AG	Switzerland	100.0%	Stepdown Subsidiary
Bilcare Germany Management GmbH	Germany	100.0%	Stepdown Subsidiary
Bilcare Germany GmbH & Co KG	Germany	100.0%	Stepdown Subsidiary
Films Germany Holding GmbH	Germany	94.9%	Stepdown Subsidiary
Bilcare Agency GmbH	Switzerland	100.0%	Stepdown Subsidiary
Bilcare Research Srl.	Italy	100.0%	Stepdown Subsidiary
Bilcare Fucine Srl. (For Part of the F.Y)	Italy	100.0%	Stepdown Subsidiary
Bilcare Research Inc	USA	100.0%	Stepdown Subsidiary
Bilcare Research GmbH	Germany	100.0%	Stepdown Subsidiary
Caprihans India Limited	India	51.0%	Stepdown Subsidiary
International Labs LLC (For Part of the F.Y)	USA	50.0%	Joint Venture
Bilcare International	Mauritius	100.0%	Wholly owned Subsidiary
Bilcare Packaging Ltd.	Mauritius	100.0%	Wholly owned Subsidiary

### NOTE - 34

#### LEASE DETAILS

The Company has entered into commercial leases on property and items of machinery. These leases have an average life of between three and ten years and there are no restrictions placed upon the Company by entering into these leases.

i) As Lessee		
Within one year	4,536.31	3,430.99
After one year but not more than five years	7,629.00	9,350.18
More than five years	2,287.94	3,140.60
ii) Lease Rental Income		
Within one year	700.00	700.00
After one year but not more than five years	2,800.00	2,800.00
More than five years	1,692.50	2,392.50

### NOTE - 35

#### EXCEPTIONAL ITEMS

During the year the company has parted with its Joint Venture in USA. The profit on sale of this business amounting to ₹. 2,327.61 lacs has been recognized as an exceptional item in the Profit & Loss Account. Further, an amount of ₹. 1,283.53 lacs in respect of Bilcare Research Srl pertaining to a one time tax inspection has also been considered as an exceptional item.

### NOTE - 36

#### PREVIOUS YEAR FIGURES

Figures for the previous year have been regrouped / reclassified wherever necessary to confirm with the current year's classification.

### NOTE - 36

The financial statements are presented in ₹. Lacs and decimal thereof except for per share information or as otherwise stated.

## NOTES

[illegible]

## NOTES

[illegible]

## **Bilcare Limited**

Regd. Office: 1028, Shirol, Rajgurunagar, Pune - 410 505, India

CIN: L28939PN1987PLC043953

### **Notice**

Notice is given that the 27th Annual General Meeting of the Members of Bilcare Limited will be held on Tuesday, the 30 day of September 2014, at 11.00 a.m. at the Registered Office of the Company at 1028, Shirol, Rajgurunagar, Pune - 410 505 to transact the following business:

#### **ORDINARY BUSINESS:**

1. To consider and adopt the audited Balance Sheet as at 31 March 2014, the statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Dr. Praful R. Naik (DIN: 00133420), who retires by rotation and being eligible, offers himself for re-appointment and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.  
"RESOLVED that Dr. Praful R. Naik (DIN: 00133420) be and is hereby appointed as a Director of the Company liable to retire by rotation".
3. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:  
"RESOLVED that pursuant to Section 139 and any other applicable provisions of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) read with rules under the Companies (Audit and Auditors) Rules, 2014, the Company's Auditors, M/s. R. L. Rathi & Co., (Firm Registration No. 108719W) Chartered Accountants, Pune, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of Thirteenth AGM of the Company to be held in the year 2017 (subject to ratification of the appointment by the Members at every AGM held after this AGM) and that the Board of Directors be and is hereby authorised to fix their remuneration for the period."

#### **SPECIAL BUSINESS**

4. To appoint Mr. Rajendra B. Tapadia (DIN: 00508894) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of Section 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the said Act, Mr. Rajendra B. Tapadia (DIN: 00508894), be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of 32nd Annual General Meeting of the Company in the calendar year 2019."
5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of Section 161 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Pawan G Chandak (DIN: 01690131), who was appointed as an Additional Director of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of 32nd Annual General Meeting of the Company in the calendar year 2019."

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 161 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Avinash S. Joshi (DIN: 05320116), who was appointed as an Additional Director of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of 32nd Annual General Meeting of the Company in the calendar year 2019."

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT in supersession of the Ordinary Resolution passed under Section 293(1)(a) of the Companies Act, 1956 and adopted at the 22nd Annual General Meeting held on 30th September, 2009 and pursuant to the provisions of Section 180(1)(a) and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to Board of Directors (hereinafter called "the Board") which term shall be deemed to include any Committee thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or person(s) to mortgage and/or charge any of its movable and/or immovable properties wherever situated both present and future or to sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking(s) and to create a mortgage and/or charge, on such terms and conditions at such time(s) and in such form and manner, and with such ranking as to priority as the Board in its absolute discretion thinks fit on the whole or substantially the whole of the Company's any one or more of the undertakings or all of the undertakings of the Company in favour of any bank(s) or body(ies) corporate or person(s), whether shareholders of the Company or not, together with interest, cost, charges and expenses thereon for amount not exceeding Rs.1500.00 Crores (Rupees One Thousand Five Hundred crores) over and above the aggregate of the paid up share capital and free reserves of the Company;

RESOLVED FURTHER THAT the securities to be created by the Company aforesaid may rank prior/ pari passu/ subservient with/to the mortgages and/or charges already created or to be created by the Company as may be agreed to between the concerned parties."

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

RESOLVED THAT THAT in supersession of the Ordinary Resolution passed under Section 293(1)(d) of the Companies Act, 1956 and adopted at the 22nd Annual General Meeting held on 30th September, 2009 and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of Rs.1500.00 Crores (Rupees One Thousand Five Hundred crores) over and above the aggregate of the paid up share capital and free reserves of the Company."



9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

RESOLVED that pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, and subject to the approval of the Central Government, if required, the consent of the Company, be and is hereby accorded to the reappointment of Dr. Praful R. Naik (DIN: 00133420) as a Whole-time Director of the Company "Designated as Executive Director" for a period of three years effective from 28th June 2014 on the following terms and conditions:

Salary and Allowance: Salary and Allowance taken together shall not exceed Rs.425,000/- (Rupees Four Lac Twenty Five Thousand only) per month, with the authority to the Board of Directors to fix, determine, increase or revise the same, so that the above shall not exceed Rs.850,000/- (Rupees Eight Lacs Fifty Thousand only) per month.

Perquisites: In addition to the above, Dr. Praful R. Naik shall be entitled to Perquisites which shall include Unfurnished Residential Accommodation or House Rent Allowance together with gas, electricity and water, Reimbursement of Medical Expenses incurred, Leave Travel Assistance for self and family, Club Fees, Premium on Personal Accident Insurance, Contribution to Provident Fund, Super Annuation Fund or Annuity Fund and Gratuity, Encashment of Leave at the end of the tenure and such other benefits and allowances as are available to other employees in the senior management cadre of the Company, the monetary value of which shall not exceed annual salary and allowances.

The Company shall also provide Car with Driver to the Executive Director for Company's business and also telephone at his residence.

The Board of Directors be and is hereby authorised to alter and vary such terms of appointment and remuneration so as to not exceed the limits specified in Schedule V of the Companies Act, 2013, and approval by Central Government, if required, as may be agreed to by the Board of Directors and Dr. Praful R. Naik.

In the event of absence or inadequacy of profits in any year, Dr. Praful R. Naik would be entitled to above as minimum remuneration subject to ceiling as laid down under Schedule V of the Companies Act, 2013 as amended from time to time and the Central Government approval, if required.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things which are necessary and incidental to give effect to the above Resolution."

By Order of the Board of Directors  
For Bilcare Limited

Mohan H. Bhandari  
Chairman and Managing Director

Pune : 14 August 2014

## Notes:

1. **A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.**

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.
4. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
5. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. The Company has notified closure of Register of Members and Share Transfer Books from Friday, September 26, 2014 to Tuesday, September 30, 2014 (both days inclusive).
8. The notice of 27th Annual General Meeting and instructions for e-voting, alongwith the attendance slip and Proxy Form, is being sent by electronic mode to all members whose email addresses are registered with the Company/Depository participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.
9. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividends for the financial years 1995-96 to 2005-06, from time to time on due dates, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 30 September 2013 (date of last Annual General Meeting) on the website of the Company ([www.bilcare.com](http://www.bilcare.com)), as also on the website of the Ministry of Corporate Affairs.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Registrar & Transfer Agent.

11. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
12. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Registrar & Transfer Agent, for consolidation into a single folio.
13. Non-Resident Indian Members are requested to inform the Registrar & Transfer Agent, immediately of:
  - a. Change in their residential status on return to India for permanent settlement.
  - b. Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
14. To further Company's environment friendly agenda and to participate in MCA's Green Initiative, members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
15. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.

Address of the Registrar and Transfer Agents:

**Link Intime India Pvt. Ltd.,**

(Unit: Bilcare Limited)

Block No. 202, 2nd Floor, Akshay Complex

Off Dhole Patil Road, Pune-411 001, India

Telefax: +91-20-26163503

E-mail: pune@linkintime.co.in

## **EXPLANATORY STATEMENT**

As required by Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out material facts relating to the business under items 4 to 9 of the accompanying Notice dated 14 August 2014.

### **Item No. 4**

Mr. Rajendra B. Tapadia is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in December 1994.

In terms of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 and read with rules under the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Schedule IV of the Companies Act, 2013 and in compliance with the listing agreement as amended from time to time, Mr. Tapadia is proposed to be appointed as an Independent Director for 5 (five) consecutive years for a term up to the conclusion of 32nd Annual General Meeting of the Company in the calendar year 2019. Mr. Tapadia is already an Independent Director of the Company under Clause 49 and also satisfies the conditions of an Independent Director under the Companies Act, 2013. He is regularized as an Independent Director under Companies Act, 2013.

As per the Companies Act, 2013, the Independent Director need not retire by rotation. While under the Companies Act, 2013 an Independent Director can be appointed for 2 terms of 5 years, under revised Clause 49 of the Listing Agreement, if a person has completed more than 5 years, he can be appointed for one term of 5 years from October 1, 2014.

Mr. Rajendra B. Tapadia would have retired in an Annual General Meeting of the Company. But, this provision no longer applies as per new Companies Act, 2013. Therefore, vide the ordinary resolution proposed, Mr. Rajendra B Tapadia is being designated as Independent Director as per the provisions of the Companies Act 2013.

In the opinion of the Board, Mr. Tapadia fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Tapadia as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Tapadia as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Tapadia as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Rajendra B. Tapadia, being an appointee, none of the Directors and the Key Managerial Personnel of the Company and their relatives is concerned or interested, in the resolution set out at Item No. 4.

#### **Item No. 5**

Mr. Pawan G Chandak is appointed as an Additional Director of the Company with effect from 31 December 2013. In terms of Section 161(1) of the Companies Act, 2013, Mr. Chandak holds office as additional director upto the date of this Annual General Meeting. The Company has received a notice in writing from the Director alongwith deposit of requisite amount under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Independent Director of the Company. In terms of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 and read with rules under the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Schedule IV of the Companies Act, 2013 and in compliance with the listing agreement as amended from time to time, Mr. Chandak is proposed to be appointed as an Independent Director for 5 (five) consecutive years for a term up to the conclusion of 32nd Annual General Meeting of the Company in the calendar year 2019. Pursuant to revised Clause 49 of the Listing Agreement, he is eligible for re-appointment on the conclusion of aforesaid tenure.

In the opinion of the Board, Mr. Chandak fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. The Copy of the draft letter for appointment of Mr. Chandak as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Chandak as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Chandak as an Independent Director, for the approval by the shareholders of the Company. Except Mr. Chandak, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, in the resolution set out at Item No.5.

#### **Item No. 6**

Mr. Avinash S. Joshi is appointed as an Additional Director of the Company with effect from 14 August, 2014. In terms of Section 161(1) of the Companies Act, 2013, Mr. Joshi holds office as additional director upto the date of this Annual General Meeting. The Company has received a notice in writing from the Director alongwith deposit of requisite amount under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Independent Director of the Company. In terms of

Section 149, 152 and any other applicable provisions of the Companies Act, 2013 and read with rules under the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Schedule IV of the Companies Act, 2013 and in compliance with the listing agreement as amended from time to time, Mr. Joshi is proposed to be appointed as an Independent Director for 5 (five) consecutive years for a term up to the conclusion of 32nd Annual General Meeting of the Company in the calendar year 2019. Pursuant to revised Clause 49 of the Listing Agreement, he is eligible for re-appointment on the conclusion of aforesaid tenure.

In the opinion of the Board, Mr. Joshi fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. The Copy of the draft letter for appointment of Mr. Joshi as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Joshi as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Joshi as an Independent Director, for the approval by the shareholders of the Company. Except Mr. Joshi, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, in the resolution set out at Item No.6.

#### **Item No.7**

The members of the Company at their 22nd Annual General Meeting held on 30th September, 2009 had approved by way of an Ordinary Resolution provisions under Section 293(1)(a) of the Companies Act, 1956 to mortgage and/or charge any of Company's movable and/or immovable properties for amount not exceeding Rs.1500.00 Crores (Rupees One Thousand Five Hundred crores) over and above the aggregate of the paid up share capital and free reserves of the Company.

Under Section 180 of the Companies Act, 2013 ("the Act"), the powers of the Board are required to be exercised only with the consent of the company by a Special Resolution.

The approval of the Members for creation of a mortgage or charge on the total assets of the Company comprising of Non-Current Assets and gross Current Assets, is therefore now being sought, by way of a Special Resolution, pursuant to Section 180(1)(a) of the Act.

The Directors recommend the Resolution at Item No. 7 of the accompanying Notice for the approval of the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their relatives is directly or indirectly concerned or interested in the resolution set out at Item No.7.

#### **Item No.8**

The members of the Company at their 22nd Annual General Meeting held on 30th September, 2009 approved by way of an Ordinary Resolution under Section 293(l)(d) of the Companies Act, 1956 borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs. 1500 crore (Rupees One Thousand Five Hundred crore) in excess of the aggregate of the paid up share capital and free reserves of the Company.

Section 180(l)(c) of the Companies Act, 2013 requires that the Board of Directors shall not borrow money in excess of the company's paid up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business, except with the consent of the company accorded by way of a special resolution.

It is, therefore, necessary that the members pass a Special Resolution under Section 180(l)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item No.8 of the Notice, to enable to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of members is being sought to borrow money upto Rs. 1500 crore (Rupees One Thousand Five Hundred crores) in excess of the aggregate of the paid up share capital and free reserves of the Company.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 8.

#### **Item No. 9**

In the Annual General Meeting of the Members of Bilcare Limited held on 30th day of September 2009, Dr. Praful R. Naik was re-appointed as an Executive Director for a period of five years with effect from 28th June 2009. His term of appointment expired on 27th June 2014.

The Board of Directors at their meeting held on 14th August 2014, have re-appointed Dr. Praful R. Naik as an Executive Director for a further period of three years w.e.f. 28th June 2014, on Salary, Allowances and Perquisites as detailed in the resolutions at item No. 9 of the notice, which is also approved by Nomination and Remuneration Committee, which continue without any modifications as contemplated in the resolutions passed in the Annual General Meeting of the Members of Bilcare Limited held on 30th day of September 2009.

The period of office of Dr. Praful R. Naik shall be liable to determination by retirement of directors by rotation. If Dr. Praful R. Naik is re-appointed as a director, immediately on retirement by rotation he shall continue to hold office of an Executive Director and such re-appointment as director shall not be deemed to constitute break in his appointment as an Executive Director.

In view of the provisions of Sections 196, 197, 203 read with Schedule V to the Companies Act, 2013, and subject to the approval of the Central Government, if required and any other applicable provisions of the Companies Act, 2013, the Board recommends the Special Resolution set out at item no. 9 of the accompanying Notice for the approval of the Members.

The re-appointment of Dr. Praful R. Naik is appropriate and in the best interest of the Company.

Except Dr. Praful R Naik, to the extent of his shareholding of 25,000 equity shares in the Company, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 9. This Explanatory Statement together with the accompanying Notice may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

### **THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED IN SCHEDULE V OF THE ACT**

#### **I. General Information:**

1. Nature of industry  
The Company's main business segment is packaging research solutions.
2. Date or expected date of commencement of commercial production  
The Company was incorporated on 1 July 1987 as a Private Limited Company. The Company had since commenced its business.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus. Not applicable.

4. Financial performance based on given indicators

	<b>2013-14</b>	
	Standalone	Consolidated
Revenue from Operations	401.35	3061.98
Profit / (Loss) Before Tax	(157.35)	(101.32)
Profit / (Loss) for the year	(121.46)	(113.34)

5. Foreign investments or collaborators, if any.

The Company has not entered into any material foreign collaboration and no direct capital investment has been made in the Company. Foreign investors, mainly comprising FII and GDR holders are investors in the Company on account of past issuances of securities/secondary market purchases.

## II. Information about the appointee:

1. Background details

Dr. Praful R. Naik, aged 50 years, holds a Ph.D. in Pharmaceutics from the Institute of Technology, Banaras Hindu University. He represents the Indian pharmaceutical industry on the International Medical Products Anti – Counterfeiting Taskforce of WHO.

2. Past remuneration drawn

(Rs. in lakhs)

	2013-14
Salary	Nil
Perquisite and Allowances	Nil
Retirement Benefits	Nil
Total	Nil

3. Recognition or awards

Under the dynamic leadership of the Managing and Executive Director, the Company was conferred with the following Awards –

- The National IP Award, 2014
- Healthcare Innovation & Entrepreneurship Awards – 2013 – 2nd Prize to Non-ClonableID Technology Innovation
- Silver Patent Award – 2010-11 to R&D Packaging Sector
- Certificate of Appreciation Patent Award – 2009-10 by PHARMEXCIL
- Award by CII – The Indian industry securing highest number of Registered Designs in the year 2009

4. Job profile and his suitability

Dr. Naik is an Executive Director of the Company w.e.f. 28 June 2004 and leads the core research initiatives at Bilcare and is also the Company's Chief Scientific Officer. An expert in medicines and their formulations, he has over 24 years of experience in pharmaceutical science including his prior association with pharmaceutical companies like Johnson & Johnson, and Smithkline



Beecham. He holds a Ph.D. in Pharmaceutics from the Institute of Technology, Banaras Hindu University. He represents the Indian pharmaceutical industry on the International Medical Products Anti – Counterfeiting Taskforce of WHO.

5. Remuneration proposed

Salary and Allowance: Salary and Allowance taken together shall not exceed Rs.425,000/- (Rupees Four Lac Twenty Five Thousand only) per month, with the authority to the Board of Directors to fix, determine, increase or revise the same, so that the above shall not exceed Rs.850,000/- (Rupees Eight Lacs Fifty Thousand only) per month.

Perquisites: In addition to the above, Dr. Praful R. Naik shall be entitled to Perquisites which shall include Unfurnished Residential Accommodation or House Rent Allowance together with gas, electricity and water, Reimbursement of Medical Expenses incurred, Leave Travel Assistance for self and family, Club Fees, Premium on Personal Accident Insurance, Contribution to Provident Fund, Super Annuation Fund or Annuity Fund and Gratuity, Encashment of Leave at the end of the tenure and such other benefits and allowances as are available to other employees in the senior management cadre of the Company, the monetary value of which shall not exceed annual salary and allowances.

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin).

The remuneration of the Executive Director is commensurate with remuneration of Board level positions in similar sized domestic companies, taking into consideration the responsibilities shouldered by him.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Besides the remuneration paid/payable to the Executive Director, he does not have any other pecuniary relationship with the Company or with the managerial personnel.

### III. General Information:

1. Reasons of loss or inadequate profits

Though the Company is profitable at the EBIDTA levels, the high finance cost and shortage of working capital has resulted in a reduction of the sales and consequently losses.

2. Steps taken or proposed to be taken for improvement

The Company has taken various initiatives to maintain its leadership, improve market share and financial performance. It has been aggressively pursuing and implementing its strategies to increase volumes and reduce costs through changes in the product mix, focus on high margin products and improving working capital management.

The Company is also realigning its business strategy to strengthen its capital structure both overseas and in the parent company. The Company is confident that it will turn around and be a profitable entity going forward.

3. Expected increase in productivity and profits in measurable terms.

With the above steps the Company is expected to become profitable in the next two years.

### Instructions and other information relating to e-voting are as under:

- i) Pursuant to provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 27th Annual General Meeting to be held on Tuesday, the 30th September, 2014, at 11:00 a.m. The Company has engaged the services of Central Depository Services Limited (CDSL) to provide the e-voting facility.



- ii) These details and instructions form an integral part of the Notice for the Annual General Meeting to be held on 30th September, 2014.
- iii) The e-voting facility will be available during the following voting period:

Commencement of e-voting	End of e-voting
23rd September, 2014, 10.00 A.M. IST	25th September, 2014, 6.00 PM IST

During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date (29th August, 2014), may cast their vote electronically. The e-voting module shall be disabled by CDSL after voting period ends.

- iv) The e-voting facility can be availed by typing the link [www.evotingindia.com](http://www.evotingindia.com) in the internet browser.
- v) Click on the "shareholders" tab.
- vi) Now select the Company name from the drop down menu and click on "SUBMIT"
- vii) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- viii) Next enter the Image Verification as displayed and Click on Login.
- ix) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- x) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the folio number/last 8 digits of the Demat Account No. in the PAN field.</li> <li>In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares in the Dividend Bank details field.</li> </ul>

- xi) After entering these details appropriately, click on "SUBMIT" tab.
- xii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- xiii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xiv) Click on the EVSN (Electronic Voting Sequence No.) of Bilcare Limited to cast your vote.
- xv) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xvi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xvii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xviii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xix) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xx) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xxi) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

Since the Company is required to provide members the facility to cast their vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 29 August 2014 and not casting their vote electronically, may only cast their vote at the Annual General Meeting.

Mr. Shekhar Ghatpande, Practicing Company Secretary (Membership No. FCS 1659), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses, not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor of or against, if any, forthwith to the Chairman of the Company.

The voting rights of shareholders shall be in proportion to their shares of the paid equity capital of the Company as on 29 August 2014.

The results shall be declared on or after the AGM of the Company. The results declared alongwith the Scrutinizers' Report shall be placed on the Company's website [www.Bilcare.com](http://www.Bilcare.com) and on the website of CDSL within two days of the passing of the resolutions at the 27th Annual General Meeting of the Company on 30 September 2014, and communicated to the BSE Limited within the prescribed period.

## **Bilcare Limited**

Regd. Office: 1028, Shirol, Rajgurunagar, Pune - 410 505, India

CIN: L28939PN1987PLC043953

### **27<sup>th</sup> ANNUAL GENERAL MEETING**

#### **ATTENDANCE SLIP**

(To be handed over at the entrance of the Meeting Hall)

DP ID & Client ID / Folio No.	
No. of Shares	

I certify that I am a Member/Proxy for the Member of the Company and hereby record my presence at the **TWENTY SEVENTH ANNUAL GENERAL MEETING** being held at the Registered Office of the Company at 1028, Shirol, Rajgurunagar, Pune - 410 505 on **Tuesday, 30th September, 2014** at 11.00 a.m.

\_\_\_\_\_  
Name of the Member / Proxy (in BLOCK LETTERS)

\_\_\_\_\_  
Signature of the Member / Proxy

Note: A Member/Proxy holder attending the Meeting must complete this Attendance Slip and hand it over at the entrance.

**Form No. MGT-11****Proxy form**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L28939PN1987PLC043953

Name of the Company: Bilcare Limited

Registered Office: 1028, Shiroli, Rajgurunagar, Pune - 410 505

Name of the Member(s)	
Registered Address	
Email ID	
DP ID & Client ID / Folio No.	

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

- 1) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him
- 2) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him
- 3) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_

and whose signatures are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Seventh Annual General Meeting of the company, to be held on the Tuesday, the 30th day of September, 2014 At 11.00 a.m. at the Registered Office of the Company at 1028, Shiroli, Rajgurunagar, Pune - 410 505 and at any adjournment thereof in respect of such resolutions as are indicated below:

Description	For *	Against*
1. Receive, consider and adopt the audited Financial Statements of the Company together with the reports of Board of Directors and the Auditors thereon.		
2. Appointment of Dr. Praful R. Naik as a Director liable to retire by rotation.		
3. Appointment of Statutory Auditors and authorizing Board to fix their remuneration.		
4. Appointment of Mr. Rajendra Tapadia as an Independent Director.		
5. Appointment of Mr. Pawan G. Chandak as an Independent Director.		
6. Appointment of Mr. Avinash S. Joshi as an Independent Director.		
7. Creation of charge on Company's properties.		
8. Borrowing powers of the Board.		
9. Re-appointment of Dr. Praful R. Naik as an Executive Director and approval for payment of minimum remuneration to him incase of inadequacy of profits.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014.

Signature of the shareholder

Affix  
Revenue  
Stamp

Signature of Proxy holder(s)

**Note:**

- \*1. Please put 'x' in the appropriate column against the respective resolutions. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
2. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.




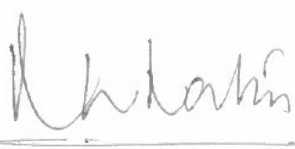



Bilcare Limited  
1028, Shirol, Rajgurunagar  
Pune 410505, India.

[investors@bilcare.com](mailto:investors@bilcare.com)  
[www.bilcare.com](http://www.bilcare.com)

**FORM B**

**Covering letter of the Annual Audit Report to be filed with the Stock Exchange**

1.	Name of the Company	Bilcare Limited
2.	Annual financial statements for the year ended	31 March 2014
3.	Type of Audit qualification	Except for delay in payment to lenders for Principal of Rs. 490.19 Crores and Interest of Rs.86.33 Crores.
4.	Frequency of qualification	Appeared second time
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report	For Qualification to Point No. 11 of the Annexure to the Auditor's Report in the Financial Statements of FY 2014 and management's response to the same is as under— Being a Company having its major operations & revenues stream overseas, the debt raised in India to support these operations, was at a disadvantage both in terms of the interest rates as well as the tenure. This resulted in a stress situation for the cash flows of India standalone. The Company has already initiated the process of realigning the entire structure to ensure optimum utilization of resources as well as capital reorganization.
6.	Additional comments from the board/audit committee chair	Nil
7.	To be signed by- CEO/Managing Director	
	CFO	 
	Auditor of the company	 
	Audit Committee Chairman	